FINANCIAL TIMES

No. 27,608 Wednesday July 12 1978 **15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Pta 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY

GENERAL

180 dead in camp blast

...out 180 people, most of ...m foreign tourists, were ...led when a gas tanker blew ... in a holiday camp near San ...rlos de la Rapita on Spain's ...diterranean coast yester... The tanker ploughed into ... camp and exploded leav... a crater 20 yards wide. ... cause of the explosion ...s not immediately clear. ...odies were flung into the ... and between 80 and 90 ...s with tents pitched beside ...m were reported des...ed. At least 180 people ...e injured.

...he camp, midway between ...celona and Valencia, is ...d by French, Belgian and ...man tourists. British and ...ch nationals were also ...ught to be among the dead. ...olice said that the tragedy ...e when the tanker's trailer ...w up on the road just out... the camp. The burning ...y then careered into the tourist camp and there was a second explosion. Gas canisters used by the campers for cooking also ignited.

Ambulances from all over Tarragona province carried victims to hospitals in the towns of San Carlos, Reus, Tarragona, Barcelona and Valencia, and private cars and buses were pressed into service. Police said identification of the dead would be difficult because of the severity of their burns.

The blast was heard over a mile away from the camp which police said could accommodate 275 visitors. Witnesses said 12 bungalows on the site and a discotheque were blown to pieces.

One small girl lived because she went outside the camp to buy an ice-cream just before the blast and a man escaped because he went fishing.

'Curious' boy shot by Army

...year-old boy who led police ...cache of arms in an Ulster ...yard was killed by the Army ...he went back to look at his ...very. An Army statement ...he boy was shot after point... Armalite rifle at soldiers. ... boy had found the arms ...e graveyard in Dunloy on ...y and told his father who ...the police. The Army were ...to keep watch. When the ...rent back to the graveyard ...k at the arms he was killed. ...father said that "curiosity ...te better of the boy" and ...confirmed that the boy was ...concerned with terrorism."

...urists die

...people were killed when ...ilas attacked a couch carry... mainly white tourists on the ...from Kariba to Salisbury, ...ia. The coach was in a ...y of vehicles under a ...ry escort.

...ctors' ban

...rs at the BMA's annual ...entative meeting in ... called for legal safe... for medical computer ... They voted over... ...ingly that no doctor ...work a proposed Health ...system if it did not com... ...safeguard confidential ...nation.

...ig leaves

...reig, the former England ... captain, has left his ... Sussex, by mutual agree... ...nd will be taking an inter... ...al team to the U.S. later ...summer for exhibition ...

...ut clashes

...easefire in Lebanon has ...e increasingly more brittle ...clashes between Syrian ...of the Arab peace-keeping ... and Christian militia ... in suburban Beirut. Page

...ess baggage

... France captain turned ...low to courtiers off his plane ...ris because diplomatic ... they were carrying ...into the aisle and they ...to have them put in the ...'s hold. The diplomats ...Madrid on a later flight—...booked an extra seat.

...ily...

...£1.5m in court fines was ...off during the year ended ...31, according to a ...ns written reply.

... Margaret's divorce from ...nowdon has been made ... Kensington Palace ...ed.

...er who was born with a ...d left foot balanced on ...t foot for 12 hrs 47 mins ...nbo — a world record.

...Terry, who founded the ...Shoe Company in Rush... ...rthants, has died aged

BUSINESS

Dollar climbs; gilts slip

● DOLLAR gained ground against other major currencies. Its trade-weighted depreciation narrowed to 7.8 (8.0) per cent. STERLING fell 50 points to \$1.8845. Its trade-weighted index fell to 61.9 (62.0).

● GOLD fell \$1½ to \$185⅝ as the dollar recovered. The New York Comex July settlement fell to \$185.70 (\$186.30).

● GILTS were hit by concern about the banking statistics, which were released in after-hours trading. The Government Securities index fell 0.15 to 70.11.

● EQUITIES reacted in line with gilts. The FT 30-Share index, which was 5.5 up at 1 pm, closed only 1.8 higher at 467.3.

● WALL STREET closed 4.50 higher at 821.29.

Kawasaki cuts shipbuilding

● KAWASAKI Heavy Industries will cut its shipbuilding capacity and workforce by 40 per cent. Page 23. La Ciotat of France is laying off 1,300 of the 6,000 workers in its Mediterranean yards. Japanese claims rebuffed, Page 2

● COAL BOARD and the Central Electricity Generating Board will study ways to use more coal following a meeting yesterday with Anthony Wedgwood Benn, ...ergy Secretary. Back ... and ...7; Editorial comment Page ...

● MR BENN has promised the UK will reply by the end of this month to the EEC inquiry into Britain's system of interest relief grants for domestic suppliers of North Sea oil equipment. Back Page

● U.S. FEDERAL Reserve Board proposed legislation to allow the payment of interest on the reserves which member banks must deposit with it. Back Page

● ICI's profitability is still too low to justify its investment plans, according to Mr. Maurice Hodgson, the chairman. Page 8

● WORKER participation plans put forward by the National Union of Railwaymen may have to be dropped because of resistance by other unions. Page 10

● JAPANESE banks will provide a \$700m loan to Siderbas, the Brazilian state steel agency, for the Tubarao project. Back and Page 22

COMPANIES

● AVON, the U.S. cosmetic multinational, will spend £15m on new plant in the first phase of a programme which will double production capacity at its UK base in Northampton. Page 8

● WILKINSON MATCH increased its pre-tax profit by 15.9 per cent to a record £14.3m in the year to March 31. Page 18

...PRICE CHANGES YESTERDAY

(...in pence unless otherwise indicated)

RISES

...d Group ...	94	+ 4
...ustries	312	+ 7
... Prop. Trust	232	+ 9
...nd Jackson...	138	+ 6
...ade Props....	43	+ 3
...fouse	65	+ 6
...Photographic	138	+ 10
...ady	160	+ 6
...R.) Props. ...	38	+ 3½
....	222	+ 15
....	66	+ 4
...Bank	268	+ 6
...s (Halifax)...	117	+ 9
...Supplies	87	+ 6
....	268	+ 6
Pilkington	543	+ 15
Reckitt and Colman...	479	+ 9
Rotork	137	+ 7
Status Discount	178	+ 6
Staveley Inds.	282	+ 8
Trust Houses Forte...	221	+ 5
Wilkinson Match ...	171	+ 10
British Petroleum ...	874	+ 30
Conzinc Riotinto	240	+ 6
Tronoh	238	+ 8

FALLS

British Dredging ...	33	− 6
McNeill	40	− 5
Nrthn. Engineering...	104	− 4
Norwest Holst	103	− 5
Ratners (Jewellers)...	69	− 4
Streeters, Godalming	22	− 4
De Beers Dfd.	379	− 5

U.S. and EEC put pressure on Japan over tariff offer

BY REGINALD DALE: Geneva, July 11

The U.S. and the EEC have sharply stepped up the pressure on Japan to improve its tariff cutting offer in the Tokyo round of multi-lateral trade negotiations in advance of this weekend's seven-nation world economic summit in Bonn.

EEC negotiators yesterday formally warned their Japanese counterparts that the Community would radically reduce its own offer at Japan's expense if there is no improvement in Tokyo's negotiating position.

The U.S. has not made such a specific threat but is privately stressing that Japanese exports will face major difficulties on U.S. markets if the offer is not improved.

The Japanese delegation at the talks here was said to have been shocked by the severity of the Community's warning. The move was described as "exploding a bomb under the Japanese" by one senior official.

The Japanese have continually maintained that their offer represents an overall cut of about 40 per cent in industrial tariffs and is thus comparable with the American and Community offers.

The Japanese base their calculations on the tariffs they applied before reductions made in the last two or three years.

This is contested by the U.S. and EEC negotiators, who claim that the Japanese offer amounts to much less if based on tariff levels at present in effect.

EEC officials estimated that the Japanese offer, following concessions in recent weeks, is now equivalent to a cut of about 24 to 25 per cent in actual tariff levels.

To drive home their dissatisfaction, Community negotiators yesterday presented the Japanese with a list of products that will be withdrawn from the EEC offer, if there is no change in Japan's position. All are of particular importance to Japan.

The full list of products was not available here tonight, although Mr. Edmund Dell, the Trade Secretary, suggested in London last week that cars would be a prime candidate for inclusion.

Reduce

The aim would be to reduce the tariff cuts offered by the Community to about the Japanese level of 24-25 per cent, down from an estimated 33 to 34 per cent as the EEC offer now stands.

Community officials believe that Mr. Nobuhiko Ushiba, Japanese Minister for External Economic Relations, who is in Geneva this week, can be pushed to make a few further concessions in the days that remain before the Bonn summit.

The hope is that the seven countries present in Bonn — the U.S., the UK, France, West Germany, Italy, Canada and Japan — can generally record agreement on as many as possible of the issues under negotiation here.

On tariffs, the intention is that the seven leaders should be in a position to accept that the offers are broadly balanced even if further detailed work will still be needed in Geneva.

Negotiators here also hope that the summit will give its general blessing to a deal between the EEC and the U.S. under which Washington would agree to be stricter in its use of countervailing duties against cut-price imports in exchange for European undertakings to exercise greater discipline in the use of subsidies.

Recent days have seen progress on this issue in the talks here, although major difficulties remain over a U.S. request that the participants agree on an "illustrative list" of subsidies to which special attention should be paid.

The EEC continues to maintain that such a list is "*neither practicable nor desirable*."

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Fukuda to press for dollar stability

By Our Foreign Staff

JAPAN IS expected to press for greater dollar stability at the seven-nation economic summit in Bonn this weekend, Mr. Takeo Fukuda, the *Japanese Prime Minister, told* the Financial Times yesterday.

In an interview in Tokyo he said that exchange-rate instability was the reason why the economies of major industrial countries had not grown as fast in the past year as expected at the London summit.

"That means that the dollar will become a main theme of discussion at Bonn," he added.

Mr. Fukuda said he expected that other countries beside Japan would press for greater dollar stability, and that exchange-rate problems would rank as a major new topic at the summit along with inflation, trade, problems of the developing world and energy.

He recognised that Japan's trade surplus was in part responsible for the dollar's problems. For that reason Japan had made a reduction of the surplus its main economic foreign policy aim.

Mr. Fukuda said he would see to it that the volume of Japanese exports remained unchanged in 1978.

Carter plea

President Carter has asked Congress to be more sympathetic to his policies on oil imports.

His plea to Democratic Congressional leaders yesterday morning before the Bonn summit came two days before members of the Senate and House of Representatives were due to consider again on Thursday the long-delayed Carter energy Bill.

This Bill now includes a Senate amendment explicitly barring the President from *imposing extra duties to discourage oil imports.*

Mr. Carter has threatened to impose these duties unless Congress approves an equalisation tax bringing the price of domestic oil up to world market levels and thereby squeezing consumption.

Despite these problems, Mr. Carter's officials said yesterday that he expected positive action from the other six participating *countries on other issues of* trade and economic growth.

Fukuda interview, Page 4

£ in New York

—	July 11	Previous
Spot	\$1.8858-8866	\$1.8880-8890
1 month	0.45-0.40 dis	0.39-0.34 dis
3 months	1.18-1.12 dis	1.07-1.02 dis
12 months	4.85-4.66 dis	4.65-4.45 dis

DISSIDENT 'COLLECTED DATA ON DEFENCE'

DETAILS OF the prosecution cases against two prominent Soviet dissidents began to emerge as their trials went into their second day yesterday. Mr. Anatoly Shcharansky, who faces a treason charge, was accused of collecting information on Soviet defence installations and sending it to the West through a foreign journalist. The charge carries the death penalty. A Soviet official told reporters waiting outside the court that 11 witnesses had testified, including two former Jewish dissidents who have signed open letters to the Soviet Press denouncing other activists.

Mr. Shcharansky's 70 year-old mother continued her efforts to be admitted to the courtroom. His brother was belatedly admitted, but foreign correspondents are barred.

At Kaluga, 100 miles from Moscow, the wife of Mr. Alexander Ginzburg was ejected from the courtroom where her husband faces charges of anti-Soviet agitation. She had protested against a prosecution witness's statement that dissidents were criminals working for money from abroad. The case against Mr. Ginzburg involves allegations that he prepared and circulated the works of Alexander Solzhenitsyn, the exiled Russian writer. He had administered a fund to aid political prisoners set up with royalties from Solzhenitsyn's books.

U.S. protest to Brezhnev over trials

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, July 11.

MR. CYRUS VANCE, U.S. Secretary of State, left Washington this morning for Geneva, determined to pursue strategic arms negotiations with Mr. Gromyko, his Russian counterpart, with the Carter Administration coming under heavier domestic pressure to make its disapproval felt over Soviet treatment of dissidents.

Mr. Vance, who along with Mr. Jody Powell, the Presidential Press Secretary, was yesterday sharply critical of the trials, will be carrying a personal message from President Carter to President Brezhnev on the subject.

He will also meet Mrs. Avital Shcharansky in Geneva on Thursday night to underline the importance the Administration attaches to human rights in the Soviet Union.

President Carter, Mr. Vance and Dr. Zbigniew Brzezinski, National Security Adviser, are agreed that a new SALT treaty is *of such overriding importance* that nothing should be permitted to prevent a satisfactory conclusion of the protracted negotiations.

Whereas Mr. Vance sees SALT as the primary focus of U.S.-Soviet relations, Dr. Brzezinski is inclined to look towards the creation of a more complex international structure in which the U.S. can balance and contain Soviet policies.

As a result, tactical differences of approach between the White House and State Department continue to exist.

Yesterday, for example, after a meeting with U.S. Jewish leaders, Dr. Brzezinski was reported to be receptive to the idea of the U.S. resorting to commercial sanctions.

Mr. Powell implied as much in his later comments, which were couched in extremely strong language and which referred to "the seeds of inevitable change in the Soviet Union."

But the lack of a unified Administration voice on the right tactics to adopt in dealing with Moscow is unsettling to domestic observers in Washington.

Senator Henry Jackson, the Washington Democrat and Senator Jake Garn, the Utah Republican, both relative hard-liners, publicly spoke out against "confusion" inside the Administration.

Both said that in allowing the Vance-Gromyko meeting to go ahead, the U.S. was sending the wrong signals to Moscow and was encouraging the Soviet Union in its belief, in Senator Jackson's words, that "they can bully us and get away with it."

Moderate

This morning, criticism was also heard from more moderate members of Congress. Senator Howard Baker, the Republican leader, urged the President to break off the SALT talks in protest.

Senator Donald Riegle, the Liberal Democrat from Michigan, said he would vote against any SALT agreement "because of the repression of dissidents."

Senator John Sparkman, chairman of the Foreign Relations Committee, predicted that at the very least the Senate would agree on a resolution sharply condemning the trials.

The dissident trials are seen inside the Administration as a direct affront to President Carter and, as one senior official put it, may well reflect Russian concern about internal unrest.

Ginzburg trial, Page 2

Growth in money supply halts after credit squeeze

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MONEY supply virtually stopped growing last month as the Government's credit squeeze package began to bite.

The banking figures for the month to mid-June, published yesterday, suggest that the broadly-defined money supply probably increased at only a very small amount and may have fallen fractionally.

This follows an increase in sterling M3, including cash and current and seven-day bank deposits, of 2.5 and 0.9 per cent in the previous two months.

Lending by the London clearing banks to manufacturing industry and for export business has shown a noticeable increase.

The figures suggest that the Government's credit squeeze package, announced on June 8, has so far succeeded in its main objective of ensuring that the growth of the money supply is within the 1978-79 target range of 8 to 12 per cent, subject to adjustment after six months.

Little growth in the money supply is expected in the next few months as a result of the measures.

The banking statistics compiled just under a fortnight after the package on June 21, reflect the impact of the heavy level of sales of gilt-edged stock between the two dates and the initial adjustment of the banks to the re-imposition of the so-called corset controls on the growth of their interest bearing liabilities.

A flat money supply trend is indicated by Bank of England figures for the eligible liabilities of the banking system, a major component of sterling M3.

These liabilities fell by 0.3 per cent to £44.37bn in the month to mid-June, following an increase of 1.4 per cent in the previous four weeks.

It is not possible to draw precise conclusions about sterling M3 from this, since seasonal adjustments have not been made and it is not yet clear how much of the gilt-edged sales were outside the banking sector, so affecting the figures.

This also leaves an uncertainty about domestic credit expansion, which had been running at well above the official ceiling in the spring.

The decline in eligible liabilities was slightly smaller than some market estimates.

But after some initial confusion about the figures, prices of

Continued on Back Page

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Linwood men vote to stay out

BY PHILIP BASSETT, LABOUR STAFF

PRODUCTION AT Chrysler's Linwood car plant in Scotland is likely to be at a standstill until at least mid-August after 550 paintshop workers voted yesterday to continue their two-week strike.

A spokesman for Chrysler said this was "extremely serious" for the future of Linwood. Performance there is a key to whether Chrysler UK operation can be *made profitable.*

Car production was halted yesterday at Vauxhall's Ellesmere Port plant on Merseyside after 3,000 assembly workers walked out in support of 100 drivers who stopped work on Monday over a claim for a reduction in hours.

The drivers, members like the assembly workers of the Transport and General Workers' Union, want a reduction in working hours from 47½ a week to 40 *without loss of earnings. They* rejected a company offer of 45 hours without loss of pay and came out on strike.

The assembly workers who joined them will not meet again until tomorrow. The Ellesmere Port plant produces about 450 Viva and Chevette cars a day. Vauxhall stands to lose £1.25m at showroom prices every day.

The 550 workers at Linwood who voted yesterday not to resume work heard details of the new company proposals for determining temperatures in hot areas of the paint shop.

The dispute, in which more *than 4,000 Linwood workers have* been laid off and production lost of about 5,000 cars worth more than £15m at showroom prices, is over management attempts to speed production by a system of rest breaks in the paintshop's hot areas.

After the meeting Mr. James Livingstone, Transport and General Workers' Union convenor at the plant, said that no fresh moves had been made for *talks between unions and management.*

The new system was not just a question of some men losing five minutes of their existing breaks. "The management are trying to lay down entirely new rules involving a principle we are not prepared to accept."

A Chrysler spokesman said that the company was concerned that the efforts of both the management and the Advisory Conciliation and Arbitration Service had failed to find a solution to the dispute. But it was essential to eliminate practices *which caused losses in production.*

Fifty workers on the Maxi line at the Pressed Steel Fisher factory at Cowley have been laid off because of a strike by 640 press operators at the company's body plant at Swindon. A total of 550 workers have been laid off at Swindon because of the 10-day strike.

It follows attempts by management to persuade the press operators to change a working practice by separating reject body panels from those which can be used. The operators are due to meet today.

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FEATURES

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EUROPEAN NEWS

EEC plan to cushion job cuts in steel

By Margaret van Hattem

BRUSSELS, July 11.

THE EEC Commission today outlined plans for a new social policy aimed at minimising unemployment resulting from industrial restructuring.

The initial proposals would cover co-financing by the Community, on a 50/50 basis with member states, of schemes to help workers in the steel sector, Mr. Henk Vredeling, the Social Affairs Commissioner, said today.

These might include schemes for early retirement, work sharing, shorter working hours and limits on overtime.

A social policy in the steel sector is specifically provided for in the treaty establishing the European Coal and Steel Community, but it is hoped to set up parallel policies in the shipbuilding and possibly the textile sectors, he added.

In the steel sector, all aid would be linked to restructuring measures as set out under the Davignon plan, Mr. Vredeling said, and might involve a community contribution of around 100m units of account.

Detailed proposals will be drawn up following discussions next week between the commission and a special consultative council including producer, worker and consumer representatives.

But the resulting proposals must be approved by the council of Social Affairs Ministers and there is some doubt as to whether they will be ready for the Ministers' next meeting, scheduled for November 27.

AP-DJ adds: Mr. Vredeling said current effort to streamline EEC steel industry operations could produce 100,000 to 140,000 redundancies in the industry between now and 1980 unless some action were initiated on the social front.

He said a social programme stretching over "several" years could cost about 100m European units of account ($126m).

Germans reject Japanese doubts on shipyard curbs

BY DAVID WHITE

PARIS, July 11.

JAPANESE CLAIMS that Western European countries are not doing enough to scale down their shipbuilding industries in the face of the current recession were rebuffed today by Herr Werner Fante, head of the West German Shipbuilders' Federation.

Differences between Japan and Europe about shipyard overcapacity came to the surface again at the start of a two-day meeting of the shipbuilding working party of the Organisation for Economic Co-operation and Development. At the working party's last meeting in April, the Europeans came under fire for not following the Japanese in restraining output.

Speaking at a Press conference, Herr Fante cited worldwide ship production figures showing that Japan had increased its share of new orders while the European share had dropped. There had been a large amount of misunderstanding, he said, due to the disparity between groups of statistics and changed criteria for calculating compensated gross tonnage, now geared to terms of man-hour value.

West Germany had done its part in reducing capacity, with man-hours worked this year standing at half the 1975 level. Turnover in German shipyards was likely to drop from last year's DM 5bn to DM 3.5bn-DM 3.7bn.

The Japanese had exceeded their previous market share last year, taking 44.5 per cent of new orders in compensated terms. That, he said, was the reason for the industry's difficulties.

At today's working-party meeting, the Japanese delegation expressed concern about shipyard subsidies in three EEC countries, Britain, Holland and France. Britain has asked the European Commission to approve its latest £80m shipbuilding intervention-fund plan.

The 14-country group also held talks with a delegation from the International Metalworkers' Federation on the implications of cutbacks. Union representatives stressed that they would not accept capacity reduction plans unless these were backed up by measures to re-employ all the redundant labour. They insisted that cutbacks should not be determined by the present rock-bottom level of orders.

They called for third world shipbuilding nations, such as South Korea, to be brought into OECD efforts to concert national policies. This proposal was rejected by the working-party members, especially by Japan, because of its possible harmful implications in the context of the north-south dialogue.

Herr Fante also mentioned the problems posed by low-cost and subsidised third world shipbuilders, but said that Western Europe and Japan had to solve their own problems before they could approach those brought about by shipyard growth in developing countries.

Japanese lay-offs, Page 23; China purchases, Page 6

More lay-offs in French yards

BY ROBERT MAUTHNER

PARIS, July 11.

THE DISASTROUS plight of the French ship-building industry was underlined today with the announcement that more than 1,300 workers out of a total labour force of 6,000 in the Mediterranean yards of La Ciotat have been laid off because of insufficient work.

The management of the yards has warned that, if new orders do not come in quickly, more lay-offs will be unavoidable by the second quarter of next year.

Though the decision has been described as scandalous by the trade unions, which have called on their members to demonstrate in the streets of La Ciotat tomorrow, it has been foreshadowed for some time. Only six ships are under construction in the yard and no more are in the pipeline. Most of the workforce has been on short time since the beginning of May.

Apart from La Ciotat, other French yards are also in trouble as the result of the lack of orders. The Dubigeon yard in Nantes, which has already shed some 500 workers over the past three years, is expected to lay off hundreds more and is threatened with complete closure in the medium-term.

The French Shipbuilding Federation recently warned the Government that, failing an increase in State subsidies to the industry, modern and high performance yards would virtually cease to exist in France.

In its annual report published at the end of May, the Federation claimed that the State aid received by French shipbuilders—some 15 per cent of the cost price—compared very unfavourably with that obtained by their main competitors, 30 per cent in many other European countries and at least 50 per cent in the U.S.

The total order books of French shipyards currently stand at no more than 1.6m grt, compared with more than 6m tonnes three years ago and, for the third year running, orders booked last year represented no more than 4 per cent of delivered tonnage.

W. German Cabinet to meet on economy

By Jonathan Carr

BONN, July 11

A SPECIAL three-day meeting of the West German Cabinet from July 26 to 28 will settle the details of any new measures to try to boost the economy, Government officials said today.

The immediate purpose of the meeting will be to take final decisions on the Budget for 1979 and to take stock of the course of the economy in the first half year.

It is thought likely that the figures will show an improved economic performance in the second quarter after a poor start. But it is not expected that this upswing will be enough to allow hope that the aim of 3.5 per cent real growth for 1979 can be fulfilled.

However, a decision on any further steps of economic stimulation depend in the first place on the outcome of the Western economic summit conference here next Sunday and Monday.

Chancellor Helmut Schmidt has made clear that Bonn is ready to play its part in a package of complementary economic measures providing its partners do likewise. But it is warned that this does not mean Herr Schmidt will allow himself to be pinned down to a precise figure at that stage — let alone the DM12bn so far widely suggested.

At present the Social Democrat (SPD) and liberal Free Democrat (FDP) partners in the coalition government are at loggerheads on what kind of stimulatory package might prove best—both for the economy and as a vote-winner.

The FDP, which has recently suffered severe provincial election losses, has angered the SPD by unilaterally making loud suggestions for big tax cuts and reform involving business and private individuals.

The trade unions in contrast favour direct State deficit spending for investment projects. They argue this would take effect sooner and claim the Government has already made more than enough concessions in favour of the employer.

The SPD Technology Minister, Herr Volker Hauff, has drawn up an investment promotion programme involving expenditure of about DM 12bn over five years. He has done so with general accord from the SPD Finance Minister but not, as widely reported, at the direct request of Herr Schmidt.

Given an accord at the summit, the Chancellor will thus have to ease the SPD and FDP to a compromise

THE SOVIET TRIALS

Shcharansky accused of collecting defence data

BY DAVID SATTER

MOSCOW, July 11.

THE TREASON trial of Mr. Anatoly Shcharansky, the Jewish dissident, went into secret session today and, according to a Soviet spokesman, the court examined evidence that Mr. Shcharansky collected information on Soviet defence installations and sent it to the West through a foreign correspondent.

Reading from prepared statements at morning and afternoon briefing sessions, the spokesman sketched out the case against Mr. Shcharansky—alleging he gathered secret information about Soviet defence enterprises on the instructions of Mr. Vitaly Rubin, a former Jewish activist who emigrated to Israel in 1976, and sent it to the West through Robert C. Toth, former Moscow correspondent of the Los Angeles Times.

The spokesman said that Mr. Shcharansky gathered data on the deployment, secrecy regimes, departmental links, and senior officials of defence enterprises. One of Mr. Shcharansky's assignments was to have persons who worked in secret installations fill out questionaires about their work, the spokesman said.

Eleven witnesses were called to testify today including Dr. Sanya Lipavski, a former "family doctor" to Jewish dissidents, and Leonid Tsipin, both of whom have authorised open letters to the Soviet press denouncing Jewish activists.

The spokesman said that witnesses described how Mr. Shcharansky carried out the questionaire assignment from Mr. Rubin and passed the information to the West through an intelligence agent under journalistic cover, almost certainly Mr Toth, who relied on Mr. Shcharansky as an interpreter and sought his help in arranging meetings with Soviet Jews trying to emigrate and with Soviet scientists.

Meanwhile, Mrs. Ida Milgrom, Mr. Shcharansky's mother, continued her efforts to be admitted to the courtroom where her son is on trial for his life before the criminal cases collegium of the Russian Supreme Court. She was received today by an official of the Russian Supreme Court but referred to Mr. P. Lukanov, the presiding judge.

Mr. Shcharansky's brother, Leonid, was admitted belatedly yesterday to the court session from which foreign correspondents have been barred, but Mrs. Milgrom has been consistently refused admittance on the grounds that she was summoned as a witness to testify on her son's character. She has refused the summons.

The Soviet spokesman said that during 1976-77, a period during which he was under almost constant surveillance by the KGB, Mr. Shcharansky assisted the foreign journalist in making contacts "on a conspiratorial basis" with "bearers of secrets" among Soviet scientists and creating "the necessary conditions for purposeful questioning of the persons."

Mr. Toth was seized on the street in June, 1977 and accused by the Soviet Foreign Ministry of receiving State secrets in an apparent attempt to disquiet him before two days of intensive questioning by the KGB at the Lefortovo prison about his relations with Mr. Shcharansky. On the advice of the U.S. embassy Mr. Toth later signed statements in Russian summarizing his interrogation which he was unable to read.

Although Mr. Toth had been officially accused of receiving State secrets and had no diplomatic immunity, the interest of the authorities in prosecuting him appeared to evaporate after he signed protocols that could be of use against Mr. Shcharansky and he was allowed to leave the Soviet Union without further harrassment.

The spokesman said that the foreign journalist with whom Mr. Shcharansky had contact spoke about in general "worming out information which is not subject to publication in the Western press" on such subjects as space research, sociology, and parapsychology.

The spokesman said Mr. Shcharansky personally questioned a Soviet scientist on the progress of engineering genetics and obtained information on institutions involved in genetic engineering.

Mrs. Ginzburg protests at court

BY OUR OWN CORRESPONDENT

MOSCOW, July 11.

THE WIFE of Mr. Alexander Ginzburg, the prominent dissident on trial for anti-Soviet agitation, was ejected from the courtroom today after she protested against a prosecution witness's statement that dissidents were criminals working for money from abroad.

Mrs. Arina Ginzburg later told correspondents the prosecution witness, Mr. Arkady Gradaboyev, an artist, said he considered dissidents to be criminals because they listened to the Voice of America radio station and read works by Alexander Solzhenitsyn, the exiled Russian writer.

The case against Mr. Ginzburg, who is being tried in a regional court in Kaluga, 100 miles south-west of Moscow, has focused on allegations that Mr. Ginzburg prepared and circulated the works of Mr. Solzhenitsyn.

Mr. Ginzburg was a founder member of the dissident committee which tried to monitor Soviet observance of the Helsinki accords and administrator of a fund to aid political prisoners set up with royalties from Mr. Solzhenitsyn's books. But the trial has so far minimised the importance of the Helsinki group connection and dwelt only in passing with the fund.

Ten prosecution witnesses have testified against Mr. Ginzburg and five of these stated they Solzhenitsyn's chronicle of the Soviet labour camps, the Gulag Archipelago from Mr. Ginzburg.

Mr. Ginzburg, who has been imprisoned twice before, once for five years on charges of anti-Soviet agitation, is refusing to testify at the trial.

Mrs. Ginzburg said that her husband, 41, who has been held in investigative custody for 17 months, which is eight months beyond the normal statutory limit, has gone completely grey and "looks like a man of 60." If convicted of anti-Soviet agitation, he faces a maximum sentence, as a recidivist, of 10 years imprisonment and five years exile.

In Lithuania, dissident sources said that Mr. Viktora Pyatkus, the leader of the Lithuanian "Helsinki" group, on trial in Lithuania for anti-Soviet agitation, refused to recognise the authority of the court and has refused to take any part in the proceedings. If convicted, Mr. Pyatkus faces a maximum sentence of seven years' imprisonment and five years' exile.

Roger Bayes adds: Mr. Vladimir Bukovsky, the exiled Soviet dissident, has warned that Mr. Ginzburg would almost certainly die if he were given another labour camp sentence. Speaking at a news conference in London yesterday, Mr. Bukovsky said that Mr. Ginzburg was cronically ill with stomach ulcers and tuberculosis, contracted during an earlier term of imprisonment

Demonstrator dies as new violence hits Basque cities

BY DAVID GARDNER

BARCELONA, July 11.

A 19-YEAR-OLD youth was killed in San Sebastian today during the strike which has spread throughout most of the Basque cuontry in the wake of the weekend's violent incidents in Pamplona.

In the weekend violence a man was shot dead and over 150 wounded in the confrontation which followed a police attack on Pampona's bullring. A bulletin put out by the state owned Radio Nacional de Espana reports that the police officer in charge of the anti-riot which carried out the attack has been dismissed from his post.

The Basque country was virtually at a standstill today, with stoppages covering the whole of Guipuzcoa and the major factories on the left and right bank of Bilbao's heaviest industrialised river.

Some factories in Vizcaya, of which Bilbao is the capital, stopped work for only an hour, following a call for an orderly protest by the leaderships of the majority trade union in the area. But workers in many of the larger factories stopped for 24 hours.

Confrontation between police and demonstrators have been taking place in both Bilbao and San Sebastian since the weekend, but there has been particularly bad street violence in San Sebastian and surrounding town — a stronghold of the radical and nationalist left.

A communique from the civil governor of Guipuzcoa said that a man was shot while he—and other demonstrators were attempting to assault a police station and that the demonstrators were armed.

In Pamplona yesterday, 30,000 people attended th efuneral of German Rodriguez, the 23-year-old leader of the LKI (Revolutionary Communist League) shot through the head by police on Saturday night. The festival during which the incidents occurred has been called off for the first time in 40 years by the "penyas," or fraternities, which organise and form the mainstay of Spain's most famous feasts.

The "penyas" had set as minimum conditions for the festival to continue: the resignation of Pamplona's civil Governor the release of all those detained during the weekend's violence, and the withdrawal of armed police from the city by midnight last night. By late last night, two of the three anti-riot units involved in the incidents had been withdrawn.

The Pamplona committee investigating the violence—made up of political parties, unions, "penyas" and local Government representatives—has accused the officer in charge of anti-riot units of being a member of the neo-fascist group "Fuerza Nueva."

The committee adds that he had volunteered for this particular post after the Basque nationalist guerrilla organisation ETA had shot dead a police commandant in Pamplona last May.

The Government has made no official statements about the incidents, and is leaving the matter in the hands of Snr. Martin Villa, the Minister of the Interior.

Snr. Martin Villa today appeared before Parliament, interrupting the debate on the draft constitution. He asked for time in which to carry out a thorough investigation of what had occurred and received a majority vote of confidence.

Soares confident in spite of 'crisis'

BY OUR OWN CORRESPONDENT

LISBON, July 11.

SR MARIO SOARES, the Portuguese Premier, is facing with remarkable fortitude what some Press reports describe as a Government crisis.

The Socialist Prime Minister was today reported confident that his alliance with the conservative Christian Democrats formed in January would continue as planned until the elections scheduled for 1980.

The Press, however, is convinced that there is a Government crisis, while the right-wing opposition Social Democrats renewed calls for a "government of national salvation" incorporating themselves but excluding the smaller Communist Party.

Sr Soares said the Socialists were not contemplating opting out of the informal coalition with the Christian Democrats and were hopeful that the agreement would last until 1980.

"We understand the (ideological) difficulties of the Christian Democrats and we believe they understand ours," he said.

The Christian Democrats at a national council meeting this week-end called for the replacement of Dr. Luis Sais, the low-profile Socialist Agriculture Minister, because its constituents—many of them supporters of the conservative Portuguese Farmers' Federation—were unhappy about his performance in returning illegally occupied land in the Communist-dominated agrarian reform belt.

In contrast to last year under a hard-line Socialist Agricultural Minister, there has been remarkable peace in this zone since the new Government took office. Some critics maintain this is because Dr. Sais has frozen all controversial activity in the area in exchange for essential labour peace from the Communist-backed central trade-union body.

But the agricultural issue existed even before the two parties agreed to govern together and some observers feel the latest Christian Democratic demand is playing to a gallery filled with its more vociferous supporters with no intention of placing the Government in any real danger.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $200.00 (air freight) $300.00 (air mail) per annum. Second class postage paid at New York, N.Y.

EUROPEAN NEWS

INVENTORS IN HUNGARY

Tough times for 'difficult people'

BY ELIZABETH WINDSOR

THE LIFE of an inventor is probably far from rosy in any country, but Hungarian inventors seem to get a tougher deal than most. Biro, the inventor of the ball point pen, might be the epitome of Hungarian inventors: unable to get this invention accepted in his own country, he went to the West where it was taken off him for a pittance.

Inventors in Hungary are nowadays known as "difficult people" after a documentary film directed by Andras Kovacs which caused quite a stir about ten years ago.

The stir, however, did nothing to change the situation. Inventions are still steam rollered, very often by jealousy, by bureaucracy, or by the sheer inertia of the economic set-up which does not encourage managers to take risks or launch new products. In many cases too the people who are in a position to decide on the fate of an invention expect a cut of the inventor's royalties.

Roller plough

The much talked of roller plough, which by using rolling friction saves a considerable amount of energy, has been buried, probably for good, by lack of interest. Hungary has had to buy back—with dollars—the rights to produce another invention dealt with in the film "Difficult People:" the Heller-Forgo type cooling tower for power plants. Inventors often get bitter, give up, defect to the West, or are driven into becoming monomaniacs.

Smaller scale innovators get no better deal. Out of 71.000 factory innovations a year, only 200 are taken up by other factories. According to the most cautious of reckonings, 3-4.000 are worth taking up. It is thus not surprising that the number of innovators is diminishing, from year to year, despite the fact that some new regulations have been introduced to protect their interests.

Happy conclusions sometimes spring from mere coincidence. Last year Mr. Janos Fekete, vice-chairman of the Hungarian National Bank, spoke on television of how on a visit to Sweden he had learnt of a Hungarian invention for producing vegetable protein for fodder from lucern, a project which had been drifting about for about 10 years in Hungary without proper financial backing.

Several similar cases, some bordering on the scandalous, have been picked up by the press, television and radio. A television documentary about a lift invented by a Hungarian engineer won an award last year. But only the film came in for due credit: the lift, which costs half as much to produce as the type manufactured at present and needs less than half the amount of maintenance, never found a manufacturer. In fact it was its low cost that prevented it from being manufactured, since the factory would have had to produce double the amount of lifts to make the same profit.

This whole problem of inventions was discussed recently in an article by the poet and essayist Andras Mezei in the weekly Elet es Irodalom (Life and Literature). Mr. Mezei ennumerates several cases of aborted inventions and says that not only does Hungary's loss of income amount to several billion forints yearly, but that there is a firm of West German consultants which makes a profit of DM25m a year by being on the alert to pounce on every Hungarian invention once the patent has expired. He makes a strong case for a different system of economic regulations and asks for the most outstanding cases of aborted inventions to be investigated.

Financial interest

His title "Something that hasn't been invented" refers to a foolproof system of interests which would ensure that none of the valuable ideas go down the drain. He thinks that there should be a financial interest not only for inventors, but also for manufacturers and sellers of new products, and goes as far as to suggest that individuals should be allowed to form companies or buy shares in a particular undertaking. He imagines all this within the limits of a socialist economy.

The latest edition of Life and Literature carries a follow-up interview with Emil Tasnadi, head of the Hungarian Office of Patents, who concludes by saying that "either we should learn from our past mistakes and shortcomings, review the situation and act more decisively and quickly, or else we will get our noses bashed in on the world market."

Sweden may try to amend N-accord

By William Dullforce.

STOCKHOLM, July 11.

SWEDEN is seeking to clarify and possibly amend the agreement on the processing of spent nuclear fuel signed by the French company Cogema and the Swedish nuclear fuels supply company (SKBF), which is half state-owned. An official team arrived in Paris yesterday

At the same time the Swedish Energy Minister, Mr. Olof Johansson, spoke out in favour of storing spent nuclear fuel in Sweden without processing. It was too early to make a firm decision, Mr. Johansson said, but "to-day there is obviously much more to said for non-processed waste."

The Swedish processing agreement is understood to be one of 33 provisionally signed by Cogema and which are fundamental to the financing of Cogema's processing plant. Any alteration in the Swedish terms could provoke demands for changes from other customers.

The latest twist in the controversy over Sweden's nuclear power programme came after leaks in the Stockholm Press of details of the secret agreement between Cogema and SKBF. These details, which have not been officially confirmed, suggested that the agreement entailed several disadvantages for Sweden.

It provided for the processing of 620 tonnes of spent nuclear fuel at a cost of close to SKr 1bn ($118m) spread over 17 years. But the Swedish Government had to guarantee by July 13 to take the processed fuel back to Sweden. After the guarantee had been given, Cogema and SKBF would have a month in which to withdraw before the contract became valid.

According to Swedish newspaper reports, under the agreement 97 per cent of the plutonium extracted during processing should be returned to Sweden. But if the French choose to deliver less, they would pay $15 a gramme for the shortfall. This price is too low, Swedish experts say.

The Cogema SKBF agreement is designed to meet the conditions for the treatment of nuclear waste stipulated by the Swedish Government before it will allow the fuelling and start-up of any further nuclear reactors.

The Prime Minister, Mr. Thorbjoern Faelldin, and the Energy Minister, Mr. Johansson, both members of the Centre Party, oppose the nuclear power programme started under the Social-Democrat Government.

OVERSEAS NEWS

Hanoi says Chinese jet fighters violated airspace

BY OUR BANGKOK CORRESPONDENT

VIETNAM yesterday charged China with sending two sorties of fighter jet "deep into the airspace" of the country's northern provinces last Saturday.

Radio Hanoi said that the first of these incidents involved two Chinese airforce fighters which intruded 25 kilometres into the coastal province of Quang Ninh in Northeastern Vietnam. Ten minutes later last Saturday morning another sorties of two jets penetrated up to 30 kilometres in the neighbouring provinces of Cao Lang. The report said the Chinese aircraft "violated" Vietnamese airspace "for a long time."

Hanoi attempted to protest these "serious acts infringing territorial sovereignty" yesterday in a note delivered to the Chinese Charge d'Affaires refused to accept the note, claiming he was not yet "fully informed of the affair."

Vietnam has recently charged Peking with increasing tensions along their mutual border by organising military exercises close to the frontier, and by sending in thousands of Chinese to "occupy" Vietnamese territory in northern border districts. But this is the first time that Hanoi has alleged an act which could be interpreted as actual military aggression, although so far the Vietnamese have been careful not to label the move as such.

The Vietnamese have also claimed that China is reinforcing its troop strength along the border. Western intelligence sources say that the Chinese aerial reconnaissance and naval patrols have been considerably more active in recent weeks in the Gulf of Tonkin off the Vietnamese coast. The Chinese are thought to have a troop strength in the neighbourhood of 150,000 regulars on the Vietnamese border. On its side, however, Hanoi has reportedly been active reinforcing its 50,000 man regular forces by expanding both its militia and network of defensive trenches along the frontier.

Reuter reports from Singapore: Vietnamese Vice Foreign Minister Phan Hien arrived today for a visit seen as part of his country's efforts to forge a closer relationship with the Association of South-east Asian Nations (ASEAN).

Mr. Hien flew into Singapore after a week-long visit to Tokyo where he told Japanese leaders that Vietnam was prepared to discuss with ASEAN a proposed zone of peace and neutrality in South-east Asia.

ASEAN, an economic alliance which groups Singapore, Malaysia, Thailand, the Philippines and Indonesia, has also been seeking closer relations with the Communist States of Indo-China.

Mr. Hien will have talks tomorrow with Singapore Foreign Minister S. Rajaratnam and officials of INTRACO, the State trading corporation.

PHNOM PENH-BANGKOK TALKS

Thailand's communists face new deadline

BY RICHARD NATIONS, RECENTLY ON THE THAI-CAMBODIAN BORDER

TWO MONTHS AGO, in the dead of night, 37 well-armed Thai Communist Party cadres slipped quietly into Baan Klong Rit, a remote little hamlet typical of the haphazard settlements scattered along the rugged jungle terrain of the Chaine de Dangrek hills that form the natural frontier between northern Cambodia and the southern provinces of Thailand's North-east.

"The Thai army is on its way and tomorrow at dawn this whole jungle will be shelled and put to the torch," the seemingly friendly and by now well-known leader of the Thai insurgents told the midnight gathering of 46 families. "Follow us and we'll take you to safety."

But by the time Baan Klong Rit's inhabitants reached "shelter" they found themselves two-days' walk inside Cambodia, at Camp 54, where more than 1,000 other Thai villagers from the border region had been assembled for "political education" and military training.

This sort of tactic is an unorthodox departure from the Communist Party's more traditional methods of recruiting hard ideological converts through patient persuasion. This time last year the cadres would visit the villages to deliver campfire lectures to a small but willing audience intrigued by the vision of rural equality under revolutionary Socialism and delighted by the sharp attacks on official corruption.

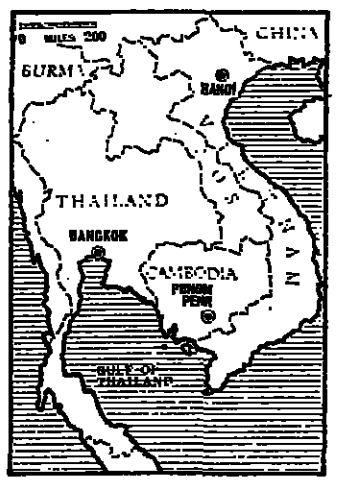
But now this wing of the party is in a rush. According to captured documents and defectors from Camp 54 returning to Baan Klong Rit the party is determined to liberate at least two Thai border districts—Lahan Sai and Ta Priya—before the year is out.

The episode at Baan Klong Rit is typical of the short-cuts the party is adopting to expand its mass base and build its armed force in a hurry to meet the time table.

Some Thai military analysts think this shift in strategy helps explain the contradictions in the Cambodian Government's attitudes towards Thailand: while constantly affirming its desire to normalise relations between the two countries, Cambodia stokes tension along the border by aiding the Thai Communists. Moreover, it was only on Monday of this week that Cambodian Deputy Premier Dang Sary announced that he had accepted the Thai invitation to visit Bangkok, an invitation extended in February and accepted "in principle" by Cambodia.

Mr. Sary is due in Bangkok on Friday, but his decision to come, by all appearances, is a counter move spurred by the recent mission to Thailand by Vietnamese Deputy Minister for Foreign Affairs Phan Hien, and even now sceptics in the Thai Military and Foreign Office doubt that Mr. Sary will bring with him anything more than evasive generalisations.

The Cambodians, it is thought in these circles, have no intention of sitting down to serious talks about the border problems



until at least the bulk of the estimated 1,000 Thai Communists have shifted from their sanctuaries in northern Cambodia into the Thai side of the border. Then talks can be focused on Thai support for the anti-Communist "Free Khmer" which Phnom Penh complains regularly launch spoiling raids deep into their interior from bases inside Thailand.

Others think the escalation of insurgency along the Cambodian border region shed a fresh light on Thailand's opaque and complex relations with China. Peking has long since dropped its active material and propaganda support for the Thai insurgents and at the moment it would seem to serve Chinese interests for Phnom Penh and Bangkok to be on the best of terms to consolidate a diplomatic baseline against the expansion of Soviet and Vietnamese influence in mainland South-east Asia.

But the Chinese have done apparently little to hasten Iang Sary's long delayed visit to Bangkok, let alone persuade the Cambodians to reduce their support for the Thai insurgents. Indeed Chinese First Vice Premier Teng Hsiao-Peng told Thai Prime Minister Kriangsak during his visit to Peking in March that party to party relations between Chinese and Thai Communists would continue, although Peking considered the Communist insurgency in Thailand an internal affair.

"The Chinese are looking further down the road to the point where hostilities surface with the Soviet Union or Vietnam," a strategy analyst in the Thai military commented. "At that point they are going to want control of as many pieces on the geopolitical board in this region as possible."

The Vietnamese are estimated to have some 25,000 to 30,000 troops stationed in Laos concentrating mostly along the southern panhandle. China however dominates the north of Laos with its 5,000-7,000 estimated "worker-soldiers." Just as the existence of Vietnamese divisions on China's southern border, even if they are never used, would force Peking, in the event of an open clash with the Soviets, to divert some of its strength to cover the possibility of a "second front" in the South, so the North-East of Thailand could be used to outflank Vietnamese positions in Laos.

Continued friction along the Thai-Cambodian border reflects a delicate geopolitical balance: neither Peking nor Phnom Penh can afford to alienate Bangkok entirely, nor however is either willing to embrace the Kriangsak regime at the risk of losing the loyalty of the Communists to Vietnam. Bangkok on the other hand is hardly willing to trade a piece of "liberated" territory for a brisker pace in the lagging process of normalising relations with Phnom Penh.

Indeed, the Thais have swung the full weight of their counter-insurgent machinery into operation in the sensitive provinces along the Cambodian border.

Prime Minister Kriangsak's Pro-Peking foreign policy has left Thailand little option but patience. The administration however hopes that its combination of a hard line along the border together with the continuing improvement of relations with Hanoi will convince Phnom Penh—and Peking as well—that for the moment it has a greater stake in the survival of the Kriangsak regime than the immediate tactical success of the Communist Party.

With national parliamentary elections possible within less than a year, "appeasement of Phnom Penh" could well become the rallying cry for another wave of anti-communist Thai nationalism that would bring down Kriangsak and his policy of rapprochement with Communist powers with him.

OVERSEAS NEWS

Legal proceedings started against Mrs. Gandhi

BY K. K. SHARMA NEW DELHI, July 11.

THE JANATA Government today started proceedings that could lead to the arrest of Mrs. Indira Gandhi, the former Prime Minister, her son, Sanjay, Mr. Vidya Charan Shukla, her former Information Minister, and other associates.

Six cases relating to illegal detention, destruction of property and corruption have been registered in Delhi courts by the Central Bureau of Investigation. The bureau will now make full inquiries into the cases and may interrogate people named as the accused. When investigations are complete, formal charges will be made.

The filing of the cases in courts of the chief metropolitan magistrate and a sessions judge suggests that the Government has given up the idea of appointing a special court to try Mrs. Gandhi and her associates for crimes allegedly committed during the emergency. That was proposed by Mr. Chaan Singh, who resigned as Home Minister, a fortnight ago after demanding the arrest of Mrs. Gandhi.

Mrs. Gandhi is not to be arrested immediately and this means that the stand taken by Mr. Morarji Desai, the Prime Minister, to rely on normal legal processes has been accepted by the government. It could also mean that Mr. Desai is trying to show that he is acting against Mrs. Gandhi and not going slow in prosecuting her, as alleged by Mr. Charan Singh.

The method now being used means that Mrs. Gandhi is in no imminent danger. The Government has avoided a difficult situation by not arresting her because her Congress (I) Party had made plans for countrywide agitation in the event of her arrest.

The plans were drawn up soon after interim reports of the Shah Commission inquiring into charges of abuse of power during Mrs. Gandhi's emergency rule indicted Mrs. Gandhi, her son and other associates. The commission's findings have been studied by officials who recommended the prosecution of the persons named in them but left open the question of how this should be done.

It is clear that the Government will only charge Mrs. Gandhi when concrete evidence is available. It wants to avoid a repetition of the bungling of Mrs. Gandhi's arrest last October when she was released by a magistrate within hours on the grounds that there was no case against her.

The Government also wants to avoid making Mrs. Gandhi a martyr. She has been gaining political strength in the past few months and has aroused considerable public sympathy.

Photograph by Freddie Mansfield

$ 'main topic for summit'

BY CHARLES SMITH, FAR EAST EDITOR

EXCHANGE RATE problems will rank as a major new topic at the Bonn summit in addition to the four main items of inflation and unemployment, trade, North-South problems and energy which were also discussed at the London summit, Mr. Takeo Fukuda, the Japanese Prime Minister believes.

In an interview in Tokyo yesterday with four European journalists on the eve of his departure for Bonn Mr. Fukuda said that exchange rate instability was the reason why the economies of major industrial countries had not grown as fast during the past year as had been anticipated at the London summit. "That means that the Dollar will become a main theme of discussion at Bonn," he added. "Not only Japan but other countries too will be asking for greater Dollar stability."

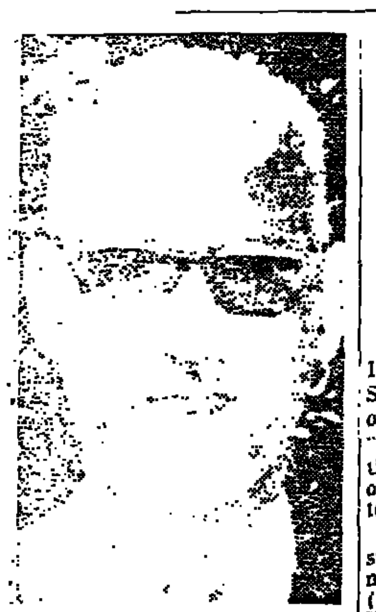
Mr. Fukuda said he recognised that the "otherside" of the U.S. deficit was the Japanese surplus. For that reason Japan had focused on the reduction of the surplus as its main external economic policy. It was attempting to increase imports by boosting domestic economic activity as well as by undertaking emergency imports of some items such as oil, uranium and aircraft. Mr. Fukuda also said he would "see to it" that the volume of Japanese exports remained unchanged in 1978.

He called this a very drastic measure but warned that it might still fail if the U.S. failed to curb inflation. A 10 per cent rise in U.S. prices might lead to similar increase in the Dollar-denominated value of Japanese imports which, on the basis of current export values, could amount to around $8.8m. For this reason Mr. Fukuda said Japan would "expect more discipline from others."

He pointed out that Japan's import-boosting, export-restraining policies were already producing an impact on the Japan-Europe trade balance. European exports to Japan had risen 35 per cent (in dollar terms) during the five months from January [...] May, whereas Japanese exports [...] Europe during the same peri[...] had risen only 20 per cent.

On the future outlook [...] Japan's balance of payments M[...] Fukuda said he thought a cu[...]rent account surplus of $3bn [...] $4bn per year would be natur[...] and desirable since [...]th[...] would enable Japan [...] channel aid funds to [...] developing world. He recognise[...] however that the present w[...] "not normal." In the light [...] that, Japan would be prepared [...] see its current account move in[...] balance or even into small defic[...] "The U.S. fully understands th[...] position," he added.

Mr. Fukuda said he was "n[...] at all satisfied" with the curre[...] state of Japan-Europe relatio[...] which he described as bei[...] "much thinner" than befo[...] World War II. He had work[...] "step by step" to promo[...] deeper relations with Europ[...] but felt that effort was need[...] on the other side as well.



Moktar Ould Daddad

Mauritania will 'remain pro-Western'

PARIS, July 11.

THE NEW Government in the North African republic of Mauritania has made known its readiness to continue the pro-Western policies of deposed President Moktar Ould Daddah.

Reports reaching Paris from the Mauritanian capital, Nouakchott, indicated that yesterday's bloodless military coup was inspired by internal pressures. Diplomats in Paris expect the military leaders, headed by Colonel Mustapha Ould Salek, to introduce no major foreign policy shifts.

Mauritania is engaged in a protracted war against Algerian-supported Polisario guerrillas, and is the focus of power rivalries involving Algeria, Morocco and France. The last news from Nouakchott before communications were cut last night was that the capital, located on the edge of the Sahara, was calm. The new leaders imposed an overnight curfew.

Informed sources in the capital said troops entered the palace before dawn yesterday and arrested the President. He was reported under house detention.
Reuter

Israelis pleased by Socialist document

By David Lennon

TEL AVIV, July 11.

ISRAEL REGARDS the draft Socialist International statement on the Middle East as more "comfortable" than the declarations of the EEC on the subject, officials said here privately today.

However, a Foreign Ministry spokesman said that Israel does not consider the declaration (issued yesterday by Dr. Bruno Kreisky, the Austrian Chancellor, and Mr. Willy Brandt, the former West German Chancellor) as having any relevance for the forthcoming Middle East talks in London. The only important formulations, the spokesman said, are those of Israel and Egypt.

Nevertheless, Israel is pleased that the Socialist International document makes no reference to a Palestinian state or to Israeli withdrawal to the 1967 borders.

Our Foreign Staff writes: after sponsoring the meeting between President Anwar Sadat of Egypt and Mr. Shimon Peres, the Israeli Labour Party leader, Dr. Kreisky and Mr. Brandt issued a four-point plan saying:

1—Peace can only be achieved by sincere and sustained negotiations. Mr. Sadat's peace treaty should be maintained "until peace treaties are concluded and signed";

2—Peace should be based on normal and friendly relations involving "a new system of regional relations based on close co-operation";

3—Secure boundaries should be established in accordance with U.N. Security Council resolutions 242 and 338 with Israeli withdrawal in each sector "to secure boundaries thus agreed";

4—Peace requires the resolution of the Palestinian problem in all its aspects with "recognition of the right of the Palestinians to participate in the determination of their own future through negotiations in which their elected representatives would take part."

S. Africa inquiry into prisoner's death

Justice Minister James Kruger yesterday ordered a top-level inquiry into the death on Monday of a young black man who fell several floors from security police headquarters in Port Elizabeth, Reuter reports from Pretoria.

Mr. Kruger, in a statement, said Lungile Tabalaza, 20, jumped from the window while being held for questioning on several alleged offences, including arson and the use of petrol bombs. It was at the same building that black activist Steve Biko was questioned after his arrest a year ago. Mr. Biko later died of brain injuries but an inquest decided it could find no evidence to apportion blame.

Selling wave

A wave of selling hit the Taipei stock market yesterday following Monday's 5.3 per cent revaluation of the New Taiwan dollar against the U.S. dollar. Shareholders feared the revaluation would cut deeply into the profits of exporting companies, Reuter reports. Shortly after trading started, 32 stocks plummeted to the 5 per cent maximum price drop allowed in a single day.

Car sales double

Combined sales of the three major South Korean automakers almost doubled in the first half of this year from a year earlier to 71,213 units of cars, trucks and buses, the Commerce and Industry Ministry reported yesterday. The boost in sales was attributed to the booming domestic economy, AP-DJ reports from Seoul. The total, including unspecified exports, breaks down as follows: 37,809 cars, 30,095 trucks and 3,319 buses.

Mobilisation denied

South Yemen yesterday denied North Yemeni accusations that it was mobilising forces along their common border and said the charges, made by North Yemeni Foreign Minister Abdullah al-Asnag, were designed to push the Yemeni peoples to war. Mr. Asnag said in Sanaa yesterday the (north) Yemen Arab republic had asked the Arab league to send a military committee to inspect the borders, Reuter reports from Aden.

New ambassador

Mr. David Marshall, a former Chief Minister of Singapore and political opponent of Prime Minister Lee Kuan Yew, has been appointed Singapore's ambassador to France. A government announcement reported by Reuter from Singapore said Mr. Marshall would be Singapore's first ambassador to France and would take up his new appointment later this year.

Immigration move

Australia will station an immigration officer in Indonesia soon in its efforts to control the flow of refugees from Indochina to Australia, visiting Immigration Minister Michael Mackellar announced yesterday. Mr. Mackellar told reporters he had discussed with President Suharto the whole question of Indochinese refugees arriving by boat in Australia via Indonesia, Reuter reports from Jakarta.

Oil shortage in Uganda

NAIROBI, July 11.

AIRCRAFT flying into Uganda have been asked to refuel elsewhere because of fuel shortages in Uganda.

President Idi Amin told representatives of oil companies operating in Uganda yesterday that oil was one of the country's top priorities.
Reuter

Left-wing call for general strike in Sri Lanka

BY MERVYN DE SILVA COLOMBO, July 11

WARNINGS from President Jayawardene and Mr. Ronald De Mel, his Finance Minister, that Sri Lanka must decide between development and subsidies have brought sharp criticism from a breakaway left-wing group.

The Trotskyist New Socialist Party, led by Mr. Vasudeva Nanayakkara, has put up posters in Colombo calling for a general strike before the Budget in November. Mr. Nanayakkara, a former MP, broke away from the Socialist Party last year.

This group recently captured all the offices in powerful Government Clerical Services Union. It is rapidly gaining strength in the railway, and among teachers. The party has written to all major unions urging immediate talks on its call for a general strike.

President Jayawardene has said that development and jobs must come before prices. The Finance Minister later gave details of the enormous cost of food and other subsidies. Despite last year's cut in the rice subsidy to half the population, the Government still spends mo[...] than Rs 2,000m ($130m) on ri[...] flour, sugar and milk foods. [...] these subsidies were withdra[...] 100,000 jobs could be create[...] Mr. De Mel said.

Mr. Nanayakkara's posters s[...] that the next Budget will affe[...] sugar, flour, petrol, kerosene a[...] bus fares.

Mintoff attacks BBC bias

VALLETTA, July 11.

MR. DOM MINTOFF the Maltese Prime Minister has blamed what he calls unfair treatment by the BBC and leading British newspapers for his Government's ban preventing British journalists from entering Malta.

In a statement to Parliament, Mr. Mintoff said the worst behaviour was that of the BBC which interviewed a Malta Government Minister in March and then failed to show the programme. Since then the BBC had consistently maintained its bias in covering Maltese affairs, Mr. Mintoff said.

He said the ban on British journalists was a first step. If within a week the BBC did not broadcast the views of the Maltese majority, Malta was prepared to take other steps.

Mr. Mintoff denied that his decision had anything to do with the incident in which his daughter, Jana, is alleged to have thrown horse-dung at British MPs while the House of Commons was in session.

Hungarian truck pact

RABA ENGINEERING, of Hungary, and Eaton Corp. of the US, has announced that the Hungarian company will sell truck axle assemblies valued at $300m to Eaton over the next 10 years.

RABA's general manager, Mr. Ede Horvath, and Eaton's president, Mr. Paul Miller, say the value of the agreement could reach $500m.

Mr. Horvath said the recent US granting of most-favoured nation status to Hungary meant the axle assemblies would be subject to a 4 per cent customs duty, instead of the 25 per cent.
AP-DJ

MILITARY BUILD-UP REPORTED

Beirut ceasefire threatened

BY IHSAN HIJAZI BEIRUT, July 11.

CLASHES THIS morning and late last night between Syrian troops of the Arab peace-keeping force and Christian militias in the south-eastern suburbs of Beirut have raised fears that the brittle ceasefire, which has been in effect for the past few days, may break down.

Several thousand Syrian troops continue to besiege the Christian quarters of east Beirut, which last week were the scene of heavy fighting and shelling, prompting President Elias Sarkis to threaten to resign.

Combatants last night traded rockets and rocket-propelled grenades on the line separating the predominantly Christian quarter of Ain El-Rummaneh and the Moslem district of Chiyah.

Heavy sniping today led Lebanese police to close the area to traffic. There was some traffic yesterday after a let-up in the fighting.

The escalation coincided with reports of a military build-up by the right-wing militias, following a meeting by their leadership last night under Mr. Bachir Gemayle, their overall commander.

All efforts to persuade Mr. Sarkis to change his mind have so far failed. An official explained that the parties concerned in the conflict continue to hold on to their inflexible positions.

However, Damascus has been the scene of extensive activity as Syria has sought to unite Lebanese Moslems and Christians.

President Hafez al-Assad today met with Mr. Kamel al-Asaad, the speaker of the Lebanese Parliament.

Yesterday, the Syrian head of state received a message from King Khalid of Saudi Arabia which was delivered by foreign minister Prince Saud al-Feisal, the Saudi Foreign Minister. A Press release later by the Syrian news agency said Syria and Saudi Arabia were in agreement that all factions in Lebanon must yield to the legitimate authorities of President Sarkis.

Prince Saud flew to Baghdad today to deliver a letter to President Ahmed Hassan al-Bakr. It was not immediately known if he will visit Beirut as well.

A visit yesterday to the Syrian capital by Lebanese Communists ended a two-year strain between them. The strain had started when Syrian troops were fighting the Palestinian guerillas and the left-wing factions during the civil war.

Mr. Walid Jumblat, leader of the Progressive Socialist Party and a prominent Druze figure, visited Damascus yesterday on his own and held talks with President Assad.

AMERICAN NEWS

Carter pleads for scope to restrict imports of oil

BY DAVID BUCHAN

WASHINGTON, July 11.

'RESIDENT CARTER today rged Congressional leaders to ntie his hands over the regulaion of oil imports, in advance f the Bonn economic summit t the weekend with western uropean countries, Japan and 'anada. At the same time, White louse officials are making it clear nat Mr. Carter expects positive ction from the other six particiating governments on the other ssues of economic growth and rade.

Mr. Carter's plea to demoratic Congressional leaders this norning came two days before nembers of the Senate and louse of Representatives are due n Thursday to take up again he long delayed Carter Energy ill. This Bill now includes a enate amendment explicitly arring the President from nposing extra duties to disourage oil imports.

The President has threatened o impose these duties unless longress approves an Equalisaion Tax, bringing the price of domestic oil up to world market levels and thereby squeezing consumption.

In fact, during the first five months of 1978, oil imports by the U.S. fell to a total of 1.2bn barrels, worth $15.9bn, from a total of 1.34bn barrels, worth $17.6bn, in the equivalent period of last year. But total energy use in the U.S. has barely slowed, with the difference being made up in more oil pumped from Alaska and greater use of natural gas. The major trading partners of the U.S. see radical curbs in U.S. oil imports as the only way to help the sagging dollar and reduce the wide deficit on the current account.

Nevertheless, Administration officials are making it clear that Mr. Carter does not intend to sit passively and let other national leaders at the Bonn summit use the energy stick to beat him, without in his turn demanding action on other issues. Mr. Jody Powell, the White House Press Secretary, yesterday told reporters, "we have a right to be justifiably proud in maintaining economic growth and a strong resistance to protectionist arguments, even at some political cost to the Administration."

The Chief Administration economist, Mr. Charles Schultze, also stressed today that the U.S. was looking to those countries "with strong surpluses and low inflation" to take up the baton from the U.S. in generating growth in the western economy.

Mr. Schultze, the Chairman of the Council of Economic Advisers, told a conference held here by the Organisation for Economic Co-operation and Development that the U.S. economy had grown by 6 per cent from the end of 1976 to the end of 1977, with the unemployment rate falling by 2 per cent in the last 18 months. But, he said, "it is necessary and inevitable that the U.S. economy will now grow more slowly in the next 18 months."

Worries about the inflation rate, which has not fallen since late 1975, made it impossible for the U.S. to do more, he said.

Senate likely to approve aircraft carrier

WASHINGTON, July 11.

. PROPOSAL to build a $2bn uclear-powered aircraft-carrier, pposed by the Carter Adminisration, appears to be heading or Senate approval without a ght. But battle lines are being rawn over a navy aircraft rogramme.

Senator Gary Hart, a Colorado lemocrat, offered an amendment oday to kill a proposed $982m llocation for the F-18 fighter. he fighter has been given only lukewarm endorsement by the lavy but it has some powerful upporters in Congress. After ebate, the Senate rejected the lart amendment by 68 to 22 otes.

The F-18 issue was the only najor contest in the $36bn Veapons Authorisation Bill hich came before the Senate esterday. The measure calls for pending $595m more than the dministration proposed but 1.5bn less than the House ecently authorised.

There was no sign of opposition to the nuclear-powered ircraft carrier which was added the Bill by the Armed Services ommittee despite the Adminisation's objections.

P-DJ

Guyana poll arrests

GEORGETOWN, July 11.

THE GUYANA OPPOSITION leader, Dr. Cheddi Jagan, has said that one opposition politician was arrested, another was beaten up and a third manhandled during voting yesterday in a controversial constitutional referendum.

The incidents had occurred, he said, because the ruling People's National Congress (PNC) was desperate at the effectiveness of *an opposition call to boycott the poll.*

A spokesman for the Home Affairs Ministry said some people had been arrested after incidents at the polling stations. But he denied an allegation by Dr. Jagan that people were being taken by bus from polling station to polling station to vote several times.

The Government also denied a statement by Dr. Jagan that the polling stations stayed open beyond the official closing time to allow more people to be brought to vote.

The referendum was on a Bill, passed by Parliament in April, allowing the constitution to be changed by a two-thirds Parliamentary majority. Prime Minister *Forbes Burnham's* PNC now possesses such a majority.

Dr. Jagan told reporters that a member of Parliament for his People's Progressive Party (PPP) was arrested because he insisted on staying in a polling station where he was the party's polling agent.

Reuter

Shell abandons off-shore well

BY OUR OWN CORRESPONDENT

NEW YORK, July 11.

SHELL OIL has disclosed that it has abandoned its first exploratory well in the Baltimore Canyon Trough some 73 miles off the New Jersey coast, east of Atlantic City.

The announcement that a second dry hole has been bored in the off-shore oil prospect, which had been considered as one of the most interesting of the recent areas opened up for drilling, will be a disappointment to the companies which have purchased leases.

Last month, Continental Oil also announced that its first exploratory well was a dry hole. Attention is now focussing on Mobil Oil's exploration in the area, since it is drilling in what some geologists believe to be the most promising area of the Baltimore Trench. Results of its efforts are expected in October or November.

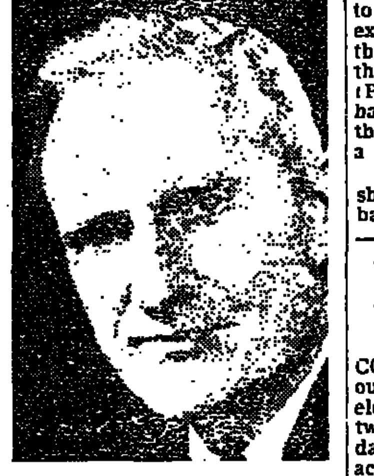
Rockefeller family head killed in car crash

By Our Own Correspondent

NEW YORK, July 11.

MR. JOHN D. Rockefeller III, the oldest member of one of the wealthiest families in the U.S., was killed yesterday in a car crash in Westchester County, just north of New York City.

Mr. Rockefeller was the eldest of the five sons of Mr. John D. Rockefeller Jnr., and the grandson of Mr. John D. Rockefeller, the oil industrialist who built up the



Mr. John D. Rockefeller III

Standard Oil group of companies.

He was born in 1906 and took on the role of family *philanthropist.* He was chairman of the Rockefeller Foundation until seven years ago. Three of his brothers—Mr. Nelson A. Rockefeller, 70, a former Governor of New York and Vice-president of the U.S.; Mr. Laurence S. Rockefeller, a 68-year-old conservationist and businessman; and Mr. David Rockefeller, the 63-year-old chairman of the Chase Manhattan Bank—survive him.

His only son, Mr. John D. Rockefeller IV, is Governor of the State of West Virginia and last night flew to New York to be with his mother.

U.S. COMPANY NEWS

Federal jury rules against Xerox; Mellon National ahead at half-time; Doubts over airlines merger — **Page 21**

Mexico seeks Europe energy link

BY HUGH O'SHAUGHNESSY

THE NEWS that the Mexican Government had talks on Monday with Urenco, the British-Dutch-German nuclear consortium, and with British Nuclear Fuels as part of the official visit of Sr. Santiago Roel, the Mexican Foreign Minister, to London underlines the fact that Mexico is beginning to work out a long-term strategy to make the best of its strong position as a major fuel exporter.

According to Dr. Francisco Vizcaino Murray — director-general of the Mexican National Nuclear Institute, who headed the Mexican team in its talks with Urenco on Monday—his country should be able in the next ten years to prove that there are 500,000 tons of uranium waiting to be mined.

He confidently expects Mexico to become a major uranium exporter in the next decade. At the same time, the very oil finds that Petróleos Mexicanos (Pemex), the State oil company, has made in recent years has put the country back on the map as a big oil exporter.

By the end of the year, Mexico should be producing 1.26m barrels of oil a day and exporting 500,000 b/d. Reserves could well be 120bn barrels.

The Mexicans want to coordinate their nuclear and oil strategies to the best advantage, and their talks on Monday were the beginning of efforts to make those strategies a reality.

The Mexican Government sees particular advantage in trading the possibility of supplying uranium to Europe against the provision of European nuclear technology for the development of Mexican nuclear programmes. These are ambitious. There are only two reactors now producing electricity in Mexico, but the Government expects to bring its potential for generating nuclear power up to 18,000 MW by the end of the century. This, which Dr. Vizcaino stresses, is only a minimum figure, is rather greater than the present installed capacity in Britain.

In developing its potential, Mexico is keen not to become too dependent on the U.S., its powerful northern neighbour whose businessmen are already firmly entrenched in many branches of the Mexican economy. Hence the approach to Urenco and British

In developing its potential, Mexico is keen not to become too dependent on the U.S., its powerful northern neighbour, whose businessmen are already firmly entrenched in many branches of the Mexican economy.

Nuclear Fuels this week to discuss the conditions under which Europeans would undertake the enrichment of natural uranium for use in Mexican reactors.

Dr. Vizcaino emphasises that Mexico wants to be more than a buyer of services, and wants to become a partner in nuclear enterprises with the Europeans. He sees the fact that Mexico could become an important provider of uranium to Europe as a strong card in Mexican hands in achieving this partnership. He also sees Mexico as a possible trade partner for three-way deals under which, for instance, Mexico could ship oil to South American markets on behalf of European oil companies, receiving in return European nuclear know-how and facilities paid for by the South American purchaser of the Mexican oil. Mexico, though not a member of OPEC, has undertaken not to undercut OPEC prices. Pemex has talked of collaboration with the British National Oil Corporation.

He professes a great admiration for British nuclear technology and makes particular *mention of the know-how available for the smaller and medium-sized British companies in the business.* He see, however, that these companies have not yet got the assured market for their wares of which the nuclear industry in other bigger countries can be assured. Mexico, he suggests, could be an interesting market for British exporters.

Sr. Roel and his party continue their European visit in Paris and Bonn this week. By the end of their journey, they are likely to have laid the basis for a policy of long-term co-operation with the Europeans on energy matters.

Bolivia election squabble

LA PAZ, July 11.

CONFUSION SURROUNDED the outcome of the Bolivian general election today after each of the two leading Presidential candidates claimed victory and accused the other of fraud.

The situation was exacerbated by the slowness of the official count, which by last night had tallied fewer than 400,000 of the almost 2m votes cast on Sunday.

The electoral court gave 162,137 votes to General Juan *Pereda* Asbun, who *is backed by* the ruling military government; 75,417 to his principal Left-wing opponent, Dr. Hernan Siles Zuazo; and 132,234 among the other five candidates.

If no candidate receives more than 50 per cent of the vote, the new President will be chosen by the new Congress, also elected on Sunday, which is to meet for the first time on August 5.

Gen. Pereda, 46, an Air Force officer and a former Interior Minister, said last night that, on the basis of an unofficial tally of 35 per cent of the vote, he and the Right-wing People's Nationalist Union had received 60 per cent of the votes counted so far.

But Dr Siles Zuazo, who was President from 1956 to 1960, said that the majority of the voters had clearly rejected the government candidate. He said he was ready to form a coalition with other opposition parties.

Gen. Pereda, speaking at a news conference, accused Dr Siles of being an agent of international extremism. "Dr. Siles receives enormous sums from overseas. We have witnesses who say he had used it to buy votes," he said.

He declined to say where the money was coming from, but added that the Communist Party and the Revolutionary Left Movement, which backed Dr. Siles Zuazo in the election campaign, were both international organisations.

Dr. Siles told a separate news conference that Gen. Pereda had used fraud to obtain high voting returns in some areas. But, he said, the Bolivian people had expressed "their rejection of the dictatorship installed in August, 1971," a reference to the coup which brough the present President, Gen. Hugo Banzer, to power.

Dr. Siles, who returned from exile in March, said he was ready to form a government in coalition with Christian Democrat and other leaders of Centre groups who gained surprising leads in two provinces.

Under the electoral law, up to 80 per cent of congressional seats should go to the party of the winning Presidential candidate, with 20 per cent. to go to his nearest rival.

Reuter

More Nicaragua deaths

BY JOSEPH MANN

MANAGUA, July 11.

VIOLENCE ERUPTED again in Nicaragua yesterday when a group of protestors, mainly students, clashed with soldiers and unidentified civilians in the city of Jinotepe, south of the capital. Reports today said that five persons were killed and about a score injured.

According to an account today in the Managua newspaper La Prensa, a group of persons *protesting against the Government* of General Anastasio Somoza were fired on by three unidentified men. Nicaraguan National Guardsmen arrived soon afterwards and five persons were reported dead after soldiers fired into the crowd. The newspaper said that protestors tried to defend themselves against the troops by throwing bombs, but did not say whether shooting came from both sides.

The Jinotepe incident was the latest in a series of riots and strikes which began after a local newspaper editor, Sr. Pedro Joaquin Chamorro, was gunned down in January. Sr. Chamorro's La Prensa, has maintained outspoken criticism of the Somoza regime, and the editor was the most prominent single opposition figure in Nicaragua.

The government of Gen. Somoza, while energetically denying that it had anything to do with the death of Sr. Chamorro, was blamed for the killing by many supporters of the editor. It is still not clear who ordered a paid killer to shoot the opposition leader.

The anti-government protests still affect the country, and tensions here have reached the highest level in recent years. Supporters of Sr. Chamorro were planning a Mass this afternoon to commemorate his death, six months ago today.

Kaiser expansion plans

KAISER ALUMINUM and Chemical Corporation has announced a major expansion of the Koblenz, West Germany, rolling mill of its wholly owned subsidiary, Kaiser Aluminium Europe (KAE). The programme will significantly increase the facility's capacity to produce rolled aluminium products, will lower production costs, and will give KAE added capability for the production of aircraft plate for both military and commercial use.

The cost of the Koblenz expansion programme is expected to total DM 24.35m, or approximately $11.6m

The Koblenz plant, which produces aluminium extrusions and building products as well as sheet and plate, is one of four continental European facilities

WORLD TRADE NEWS

Peking boosts purchases of second-hand vessels

BY LYNTON McLAIN

CHINA HAS taken advantage of the slump in the world shipping market to buy eight second-hand ships surplus to Western needs at about half the original price.

The move is the latest in a series of purchases aimed at improving China's merchant fleet and giving the country independence from charterers as its volume of trade with Japan and the West builds up.

The Chinese were reported yesterday to have bought an 85,000 dwt ore carrier built in 1971, for a second-hand price of \$4.4m. It was also reported to have bought a one-year-old 72,000 dwt bulk carrier for \$7.5m. Two 11-year-old general cargo ships have been sold for \$3m each.

Two unwanted cargo ships were also sold to the Chinese for a resale contract price of \$6.5m each, and a third for \$7.5m.

This is not the first time China has been active in the second-hand cargo ship market. But its latest purchases, if confirmed, show the country is aware of rising charter rates in most dry cargo trades.

This has had the effect of marking-up interest in older ships, and in the long term this may be reflected in higher second-hand prices.

China has also bought a new roll-on roll-off vessel for \$10m to \$12m. This was built by a Japanese yard for an Italian customer, but Lloyd's List, the shipping journal said the Chinese had signed a contract direct with the yard.

Grain imports to China have increased rapidly in the past five years creating additional need for merchant shipping capacity.

This may now be provided on an increasing scale by outright purchases of second-hand ships in place of the country's former policy of chartering a large proportion of its shipping needs.

Hong Kong's China trade

FINANCIAL TIMES REPORTER

IN LINE with China's new foreign trade policy, the country's trade with Hong Kong has been steadily increasing. The two-way trade, valued at HK\$8.3bn last year, made China Hong Kong's third largest trading partner.

This trade in the first four months of this year was 20 per cent higher than in the same period last year, amounting to almost HK\$3bn, reports the Hong Kong Trade Development Council. This trend is expected to continue.

At the same time, China's intensified involvement in Hong Kong's financial, commercial and industrial sectors is manifestly clear in recent developments.

China is currently Hong Kong's largest supplier of imports after Japan. Daily supplies of Chinese commodities to Hong Kong are chiefly foodstuffs, fuels and textile semi-manufactures that are needed to feed the local population and industry.

For these supplies Hong Kong paid HK\$2.9bn in the first four months of this year. For the same months last year the bill was HK\$2.4bn.

Bechtel joint venture in Iran

BY ANDREW WHITLEY

TEHRAN, July 11

THE GIANT American engineering corporation, Bechtel International, has formed a joint venture with Iran's state-owned Industrial Development and Renovation Organization (IDRO) and the National Iranian Oil Company (NIOC). The new company, in which each company has a one-third share will be involved in a wide range of heavy engineering work in Iran, especially in the oil, gas, petrochemical and nuclear fields.

Essentially a design and management services company, a director of IDRO, Mr. Bijan Sheibani, said today it would be able to bid for the construction of nuclear plants, for example, in competition with companies already established here such as Krupp and Framatome.

The as yet unnamed company will derive much of its work from the activities of its two Iranian partners. An immediate task will almost certainly be the construction of a \$170m (R12bn) desalination plant, at the behest of IDRO, at Char Bahar on the Gulf coast.

Informed sources say Bechtel made the original approach to IDRO some six months ago. NIOC then became interested in joining the marriage, as a result of its new chairman's declaration last autumn that the State oil company was to diversify into other fields, to help strengthen Iran's industrial base.

Final agreements were signed last month, but the announcement was only made last night. The company has been set up with an initial capital of \$3m. The management and Board structure is not yet clear, nor who will have the decisive voice on projects, though sources here say the Iranians will obviously have a veto power.

Entering the joint venture pushes Bechtel from a position of relatively insignificant achievement in Iran to date, to a potentially highly favoured role. The new company is expected to replace nearly all its American parent's activities here.

German cycles under pressure

BY GUY HAWTIN

FRANKFURT, July 11.

DESPITE A boom in demand for bicycles and lightweight motor cycles in the Federal Republic last year, West German domestic suppliers of parts to the home manufacturing industry have seen sales stagnate. The market is rapidly being taken over by imported products—a growing share of which comes from low cost countries in the Far East and Eastern Europe.

Imports last year accounted for 42 per cent of all parts supplied to the West German cycle manufacturers — themselves under strong pressure to hold down prices. In the first four months of this year the market share controlled by imports rose to 47 per cent.

The figures, provided by Herr Heinz Lichter, general manager of the industry's trade association, show that last year the industry sales remained virtually unchanged at DM 292m (\$142.7m) although West German bicycle manufacturers alone increased their output by more than 17 per cent.

In contrast, he told the national daily, Die Welt, sales of imported parts were making the running with a sales increase of some 26 per cent. Last year the value of imports totalled DM 123m while the German parts manufacturers' world sales totalled DM 520m (£254.2m) only because of a 25 per cent increase in exports.

Last year had been a boom year for the West German cycle and lightweight motorcycle manufacturers and the current year was expected to be another. However, for the 60 companies in the German parts-making sector—and their 5,000 employees—there was little prospects of seeing the boom passed further down the line.

Some threequarters of the imports that are coming into West Germany originate from EEC countries with long cycle-manufacturing traditions—Italy, France and Britain. However, the West German parts manufacturers are blaming their plight primarily on imports "at dumping prices" from East Asia and certain East European countries.

Contracts for Peat Marwick

By Tim Dickson

TWO CONTRACTS in Jordan worth a total of about £200,000 in fees have been awarded to the management consultancy firm of auditors Peat, Marwick and Mitchell.

The contracts are further evidence of the growing volume of overseas consultancy business undertaken by British firms, particularly in the Middle East.

The first contract in Jordan is a review of the complete organisation structure of the Jordan Phosphate Mines Company, covering general and technical management, mine activities, finance, marketing and purchasing.

The other contract involves a reorganisation and financial study of the Municipality of Amman where the population has grown to just under 1m from roughly 250,000 in 1962.

Soviets sue Dutch groups

BY CHARLES BATCHELOR

AMSTERDAM, July 11.

THE SOVIET oil exporting agency is claiming more than \$100m from an international oil trading company and a Dutch bank for the alleged non-payment of bills. Sojuznefte-Export has informed the Public Prosecutor of the District Court in Arnhem that it plans to submit a written claim for \$101m from Jocoil BV of Berg en Dal, south of Arnhem, from a director of the company Mr. John Deuss and against Slavenburgs Bank of Rotterdam.

It is not yet clear whether the claim is also against First Curacao International Bank (FCIB) of Willemstad on the Netherlands Antilles of which Mr. Deuss is also a director, the Public Prosecutor said. A written deposition is expected in about a week when the details of the claim will be known, he added. The Public Prosecutor will then decide whether there is a case to answer.

Slavenburgs Bank is involved because Sojuznefte claims it gave guarantees for the payment for the oil. Slavenburgs said it guaranteed deliveries for a total of \$4.9m and that this had been paid, but that it was not involved in any further guarantees given to the Soviet side. A spokesman for Slavenburgs refused to comment on reports that the bank had been buying its own shares on the Amsterdam Stock Exchange to support the price which had come under pressure because of the claim. Slavenburgs said it had informed the Dutch Central Bank of the charges which had been made against it.

Jocoil, which has offices in Bermuda and New York, apparently stopped payments for the oil, claiming that the Soviet exporters had broken their contract because they could not maintain regular deliveries.

CANADIAN WINE

Baby Duck for Britain

BY KENNETH GOODING

A DEEP red, sparkling table wine with the strange name Baby Duck has become Canada's best-selling brand and is now to be launched in the UK.

The reason this is causing some comment among the British wine traders, who see new wine brands come and go with monotonous regularity, is that Baby Duck's success in Canada will take its sales this year to 8.4m bottles. Very few of its rivals reach this level anywhere in the world.

It has transformed the prospects for the brand owners, Andre's Wines of Ontario, a company which has quickly moved from the third place to the top of the Canadian wine company league and its share price has doubled on the local stock exchanges to around C\$16.

John F. Heggie, senior vice-president in charge of marketing worldwide for Andre's, claimed in London that sales of Baby Duck represented one case per year for every 25 Canadians. "Only Heinz Ketchup dominates its own market like that."

Andre's research shows that 38 per cent of all Canadians who drink wine have drunk Baby Duck in the past six months. Some 83 per cent of Canadians drink wine and 16 per cent say that Baby Duck was the most recent brand they drank.

There are 10,000 different sorts of wine available in Canada but even the French Canadians have taken to the brand.

Baby Duck will be made in Britain with the help of a concentrate of red grape from Canada by J. E. Mather which has a winery in Leeds and is probably best-known for its Old England range of British wines. The drink gets its unique flavour from the Vitis Labrusca grape which is peculiar to the Niagara region.

Mather is controlled by Matthew Clark and Sons, the quoted but independent wine and spirits group, and by coincidence Clark's product, Stone's Ginger Wine, has just been re-launched in Canada by Andre's.

Andre's was founded only in 1961. It has six wineries in Canada, a turnover last year of C\$25m and profits before extraordinary items of C\$2.1m.

The company's development has been against the background of fast growth for retail sales of wine in Canada. In the past ten years they have grown at a steady 9 per cent a year from C\$100m to nearly C\$400m. This compares with an advance of 3 per cent for beer and 4 per cent for distilled spirits.

Over the same period Canadian wine consumption has grown from 0.6 gallons to 1.3 gallons a head each year, still well behind the major European wine countries like France, 32 gallons, and Italy, 23 gallons.

"Canadian wine consumption may never reach the high levels of the traditional wine drinking nations of Europe but there is certainly room for growth," said Mr. Heggie.

Andre's will make Stone's Ginger Wine under licence and will also take responsibility for getting it a much wider distribution among the Provincial liquor monopolies.

As for Baby Duck, the UK operation is its first flight outside Canada. Matthew Clark is looking for sales of 380,000 bottles by the end of this calendar year but Mr. Heggie believes, as a result of trade visits he has made with the Clark salesmen, this is very conservative.

Test-marketing will begin in the Harlech television area and the Midlands where one of Mather's other shareholders, Bass Charrington, will lend some support.

Eaton agree parts deal with Raba of Hungary

By Terry Dodsworth

ONE OF the leading U.S. commercial vehicle component companies, Eaton Corporation of Cleveland, has agreed to buy about \$300m worth of equipment over the next 10 years from the Hungarian company Raba Railway Carriage and Machine Works.

The deal, signed after months of negotiation, also opens up the possibility of Eaton selling parts to Raba.

The American company, which has extensive interests in the UK and the rest of Western Europe, also indicated last night that this development may help to promote other trading links such as licensing agreements between Eaton and Raba and other Hungarian companies.

In the first place, Eaton has agreed to purchase significant quantities of Raba-manufactured axles and axle components for sale in worldwide markets. Raba may then buy some Eaton truck transmissions and other components from Eaton.

There was no clarification last night as to the weight range and size of the components involved. But Eaton specialises in the heavier end of the truck industry while Raba, one of the largest manufacturing complexes in Hungary, produces diesel engines, front and rear axles for trucks and tractors, heavy-duty trucks, articulated vehicles and railroad cars and equipment.

The agreement follows a period of increasing links between the West and Eastern bloc trading communities in the commercial vehicle industry. Several West German companies, including MAN and Mercedes, now do a considerable amount of business with Comecon countries, and Romania makes a truck under a MAN licence.

At the same time, Perkins the UK subsidiary of Massey Ferguson, is involved in developing an engine plant in Poland. But until now, most North American motor companies, with the exception of Massey, have been slow to develop links with the area because of the buy-back arrangements involved in most deals. General Motors, for example, after investigating several projects, is proceeding very cautiously at present.

Shell to buy new Dutch site

By Kevin Done

THE ROYAL Dutch/Shell group has spent more than £25m buying a major site in Holland for the future expansion of its chemicals operations.

The 620-acre site is at Moerdijk adjacent to the company's existing petrochemicals manufacturing site. Shell Nederland Chemie has acquired the land—on which it has had an option since 1968—to allow for expansion in coming decades, it said yesterday.

There are no firm plans for further investment at present.

Shell's total site at Moerdijk, its second chemicals complex in Holland, now totals some 1,240 acres.

About 330 acres have been developed to date. The first phase, costing some £120m which came into operation in 1973, included a 450,000 tonnes a year ethylene plant.

Since then another £175m has been spent on the second phase which should be complete by the end of the year. This includes a styrene monomer/propylene oxide plant and a needle coke unit.

Serck to make valves in U.S.

ATLANTIC RICHFIELD has agreed a joint venture with the British company, Serck Limited, for valve production in the U.S.

Under the agreement, Serck will purchase the facilities and products of the Aloyco division of Walworth, a subsidiary of Arco's Anaconda unit and a valve producer, as well as Walworth's lubricated and non-lubricated plug valve lines. Serck will produce its own and Walworth's valves in the U.S.

Arco and Serck will form a joint managing and marketing company to be called Walworth Serck Aloyco to manage both Walworth and Serck Aloyco. Reuter

Philip Morris to make cigarettes in Hungary

Philip Morris has begun production of its Marlboro brand cigarette in Hungary for sale in that market under a licence agreement with Dohanyipari Vallalatok Trostje and the Monimpex Hungarian foreign trading company.

Production is under way in Trostje's plant in Eger and the blend used includes a significant portion of U.S.-grown tobaccos, reports Reuter from New York.

Israeli exports rise

Israel's exports grew by 29 per cent in the first half of the year to total \$1.836m compared to \$1.428m in the first six months of 1977, according to the Central Bureau of Statistics.

Polished diamonds, which constituted 43 per cent of all exports, brought in \$642m, 31 per cent up on the same period last year, reports David Lennon from Tel Aviv.

A 50 per cent increase was registered for exports of metal products, machines and electronics.

Citrus, one of Israel's largest export items, registered a five per cent increase in export income, to total \$153m. Other agricultural exports grew by 42 per cent to \$151m.

EEC directive will press companies for double accounts

BY MICHAEL LAFFERTY

BRITISH COMPANIES will come under further pressure to produce two sets of accounts when the recently-approved fourth EEC company law directive is implemented, *according* to a study released yesterday by chartered accountants Thomson McLintock.

The accountants say that the main effect of the new directive will be "the administrative difficulties involved in altering every set of company accounts to the *prescribed format*."

But they also draw attention to some possible side effects.

"Already, many shareholders find the existing accounts unintelligible, and it is not difficult to envisage the introduction of a formal requirement for two sets of accounts to be produced—a full set for filing with the Registrar of Companies and available only on demand and a simplified set issued to all shareholders (and employees?)."

On the matter of goodwill, which the directive requires to be written off systematically, the study suggests that companies with material *amounts* in their balance sheets may wish to consider taking action before enactment lessens their options.

Referring to the European Commission's work on developing accounting valuation standards, Thomson McLintock says this raises a question mark over the role of the UK Accounting Standards Committee.

"It may be asked whether it should continue to legislate for the UK profession in anticipation of, and possibly at variance with, *possible* future European requirements."

The study has been published ahead of the official EEC document, not expected to be issued until the end of the month.

Another report on the directive has come from Price Waterhouse in a bulletin circulated to clients yesterday.

Copies of the Thomson McLintock booklet are available from Mr. Frank Harding, Thomson McLintock, 70 Finsbury Pavement, London EC2A 1SX. The Price Waterhouse bulletin may be obtained from Mr. Julyon Hinton, Price Waterhouse, 32 London Bridge Street, London SE1 9SY.

Seagram drops two brands of whisky

BY KENNETH GOODING

SEAGRAM, the world's biggest drinks business, is adding to the confusion in the UK Scotch whisky market by withdrawing two brands—100 Pipers and Passport—and introducing a new one.

The new brand—the Original Hundred Pipers—will be put above best-selling Scotches such as Bell's Haig and Teacher's in price.

Mr. Stuart Kershaw, managing director of Seagram UK, said the aim is to establish it "as a quality product at the top end of the market and enable the trade to make a reasonable profit"

The timing of Seagram's move has been influenced by the withdrawal of Johnnie Walker Red Label from the UK market, where it accounted for 15 per cent of Scotch sales, by Distillers Company after its dispute with the European Commission.

Other Distillers' brands, Vat 69, Black and White and Dewar's, were substantially increased in price and this will affect their competitiveness.

New brands have been introduced by Distillers and much more marketing effort put behind other Scotches in the past few months. As a result Scotch whisky drinkers in the UK are having to think once again about brand preferences.

Against this background Seagram has chosen to drop Passport, a brand which never recovered from its initial "cut-price" image, and 100 Pipers which between them had annual sales approaching 200,000 cases (2.4m bottles).

It is also quitting the "standard" Scotch business completely and does not intend to introduce at a later date a brand *to compete in this part of the* market.

Instead, the new Hundred Pipers will compete with Famous Grouse, the Highland Distilleries brand, which probably has been the fastest-growing in the last two years in spite of its relatively high retail price.

Furniture deliveries down

BRITISH furniture deliveries in May totalled £69.1m, compared with £72.5m in April and with £60.5m in May last year.

On a seasonally adjusted basis the index of deliveries (1970 = 100) dropped over the month by 27 points to 152 and was marginally lower than a year before.

Industry Department statistics show that the index of furniture orders in hand—136 at the end of May — was 2 per cent higher than a year ago.

Industry aid

NORTHUMBERLAND County Council is *to set aside £100,000* a year for the next three years to help to attract new industry. The money will be used to build small factories in rural areas and help companies wanting to expand.

UK half-yearly car output rate up 3%

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

UK CAR production rose slightly last month compared with May, helping the industry to a *half-yearly* output of about 3.0 per cent more than in the same period last year.

Officially this means that the UK manufacturers have a good chance to exceed last year's production of 1,316,000 units. But there has been a notable decline recently in optimism for the industry's prospects.

This is due to the arrival of the holiday season, which *will bite deeply in July* and August, and the recent rash of industrial disputes at all four UK producers, particularly BL Cars and Chrysler.

Serious disputes at the latter two State-aided companies were still going on last night.

Actual production last month, covering a five-week period, came to 124,000 units, compared with *122,000* in May and 117,000 in June last year.

On a seasonally adjusted basis, this amounted to 112,000 cars, compared with 106,000 in May—both of these months providing poorer results than in March and April, when the industry produced 126,000 and *121,000* units respectively.

In the first six months of the year, output of UK manufacturers rose from 701,000 units a year ago to 723,000.

In the commercial vehicle industry, production is still rising, totalling 39,100 units last month, compared with 37,800 in May and 32,800 in the same month last year.

On a *seasonally* adjusted basis it was slightly down on last month (34,100 units compared with 35,400), but production during the last three months has risen by 5 per cent compared with the previous three months.

Overall commercial vehicle *output has risen in the first* six months of this year by a little over 2 per cent compared with the same period last year, from 210,700 units to 215,600.

Proposal for independent body to investigate nuclear plans

BY PAUL CHEESERIGHT AND DAVID FISHLOCK

A PROCEDURE for investigating nuclear projects by an independent committee instead of the public inquiry conducted by one inspector was put to nuclear businessmen at a meeting of the Uranium Institute, "think-tank" of the uranium industry, at its annual meeting in London yesterday.

Professor David Pearce, of the University of Aberdeen, claimed that procedures such as by the Windscale Inquiry last summer, designed to resolve a conflict between pro-nuclear and anti-nuclear factions, would always fail in their purpose.

Instead, a decision should be taken on the best information available, not only of the technical and epidemiological factors involved, but also of how people saw risks in relation to benefits.

In Britain, for all its institutions, the importance of people's valuation of risks versus benefits had not been understood, said Prof. Pearce.

His group at Aberdeen had been commissioned by the Social Science Research Council to make a study of the Windscale Inquiry and say whether it was a suitable form of inquiry for other prospective nuclear issues, *such as the fast-breeder reactor* inquiry.

He concluded that no institution would suffice for the problems of anti-nuclear protests, because these were founded not only on fears and worries about jobs or hazards, but also on different views of what constituted a desirable future.

The procedure he recommended, which he called the decision advice procedure, would have to be 1. "appraised of the fullest possible information relating to the investment in question;" and 2. "appraised of different values underlying the arguments being presented."

Moreover, it would have to openly consider, clarify and debate those values.

Critical

At *the Windscale Inquiry*, although alternative values were discussed at length, it could not be pretended that discussion of value systems "permeated through to the Inspector's report."

Prof. Pearce's proposal met with criticism from the meeting *which has been critical of* present levels of government involvement in the industry.

The U.S. Government, in particular, was singled out for criticism on this count

Mr. Peter Jelinek-Fink, the chairman of Urenco, the Anglo-Dutch-German uranium enrichment consortium, addressed himself to the U.S. Nuclear Proliferation Act 1978 which puts stringent restrictions on the reprocessing of uranium of U.S. origin.

He said that it brought German and Swiss utilities into conflict with their national laws. The uncertainties for operators could lead to double contracts and stockpiling in order to avoid problems with the Act.

National legislation with international connotations was not the way to achieve nuclear non-proliferation.

What the uranium industry needed was a free market under the control of a strong International Atomic Energy Agency.

Another point of concern was the application of U.S. anti-trust regulations which, said Mr. *Tony Grey, the chairman of* Pancontinental Mining, the potential Australian uranium producer, led the nuclear industry to live in "a Kafka-esque world of suspicions and innuendoes."

Dr. Heinrich Mandel, chairman of the Uranium Institute and a director of RWE, the German electrical utility, said an excess of governmental enquiry and litigation could do nothing but harm to the industry.

These remarks referred to the tangle of court cases, primarily in the U.S. but extending last year to the UK, which sought to establish whether an alleged international uranium cartel had affected the U.S. market in the period before 1975.

The meeting continues today.

Crown Agents tribunal delayed

FINANCIAL TIMES REPORTER

THE CROWN AGENTS tribunal, under the chairmanship of Mr. Justice Croom-Johnson, *is* to begin its public hearings on September 18, a week later than was originally expected, it was announced at the tribunal's second preliminary meeting in London yesterday.

The tribunal is investigating "to what extent there were lapses from accepted standards of commercial or professional conduct or of public administration" in connection with the Agents' £236m losses on secondary banking and property in 1967-74.

Its two other members are Lord Allen of Abbeydale, a former senior civil servant, and Sir William Slimmings, a leading City accountant.

The tribunal yesterday granted applications to be legally represented from the following: the Crown Agents, Sir Claude Hayes, Mr. A. H. Challis, Mr. N. S. Davidson, Messrs. Davies, Arnold and Cooper, Mr. D. Marcus, the Ministry of Overseas Development, the Treasury, the Exchequer and Audit Department and the Bank of England.

In some cases, representation only in respect of certain matters was granted. Reasonable legal costs were agreed for the individuals and for Davies, Arnold and Cooper.

The tribunal deferred an application from Mr. Pat Matthews for legal representa*tion, taking the view that it was* too soon to say if he was a person concerned in the inquiry at this stage. He was invited to renew his application later if he wished.

Mr. Justice Croom-Johnson, explaining the procedure to be followed at the public hearings, *said that counsel for the tribunal* would make an opening statement.

Counsel for any witnesses who were allowed to be represented before the tribunal would be able to make short speeches after this opening statement if *they wished*. While a limit of five minutes would not be enforced, any speeches made at that stage would be expected to be very brief. Witnesses would then be called.

The tribunal intended to consider first the matters relating to the Crown Agents and its business associates which had been listed in Mr. Justice Croom-*Johnson's statement* at the first preliminary meeting on April 10. Other matters would be considered later.

State chiefs voice pay rise worries

By John Elliott, Industrial Staff

NATIONALISED INDUSTRY chairmen are to write to the Prime Minister asking him to detail how the Government proposes to pay them the salary rises of 70 per cent or more that Mr. Callaghan promised early last week.

Despite Mr. Callaghan's announcement that the Government would phase the rises in by April 1980 which they welcomed, the chairmen are worried by the fact that he did not specify the individual amounts to be paid in the next two years.

The rises follow publication of the Boyle Top Salaries Review Body report, which said that to catch up with increases in private-sector salary levels since 1972, the chairmen and Board members of nationalised industries should have rises of up to £20,000 a year.

This was accepted by the Prime Minister despite opposition from some prominent Cabinet members and loud protest from Labour MPs.

Mr. Callaghan told the Commons that the rises were "appropriate" and would be introduced in three stages, with 10 per cent this year followed by further rises next April and in April 1980.

No guarantee

It was assumed at the time that this would mean that the balance of the rises would be paid in two equal stages in the next two years. For example, chairmen of the gas, rail and electricity industries would move up by 10 per cent this year from £24,700 to £27,170: and then by two £6,415 (25 per cent) annual stages to reach £40,000 in 1980.

But a meeting of the Nationalised Industries' Chairmen's Group has decided that since there is no guarantee that this is how the money will be paid, they want detailed reassurances.

Some fear that if a Phase Four pay policy is successfully introduced the Government may be tempted to limit their rises next April to an official limit of perhaps about 7 per cent. This would not breach the Prime Minister's promise to pay in full by 1980.

The chairmen are also worried about the impact of the rises on salary bands for some Board members, and also want to know how a proposed increase from £1,000 to £2,000 a year in part-time Board members' fees will be implemented.

They want to urge the Government to raise the final figures to compensate them for rises in inflation in the next two years. This would mean that the chairmen now due for £40,000 would actually receive more by 1980.

Central government borrowing in line with Budget target

BY DAVID FREUD

THE CENTRAL government borrowing requirement over the first three months of the financial year appears to be in line with Budget projections, in spite of seasonal distortions.

The requirement for the three months was £2.5bn, compared with £1.7bn in the same period last year, according to Treasury figures released yesterday.

The increase is due almost entirely to changes in the pattern of tax receipts by the Inland Revenue.

In the three months last year, none of the tax rebates had come through, while some have already been paid this year.

When this factor is taken into account, the size of revenue and expenditure of the Consolidated Fund—the main element in central government transactions—are in line with Budget projections.

Consolidated Fund expenditure last month was £529m up on June last year, bringing the April-June increase in expenditure over the same period last year to £1.8bn.

This was an increase of 17 per cent—the same percentage *increase as projected for the* year as a whole.

This contrasts with expenditure figures for March-May released last month, which were slightly ahead of the projected percentage increase for the year.

Consolidated Fund revenue last month was £257m higher than June last year. This brought the total for April-June to £750m, or 8 per cent. above the same period last year.

For the financial year as a whole, the Budget forecast a 10 per cent increase.

Receipts should come into line with the projection later in the year when the distortions caused by *the timing of tax changes* unwind.

In the first three months, Inland Revenue receipts were only £185m up on the same period last year, compared with the projected rise for the whole financial year of £2.9bn.

There was a net repayment of debt into the National Loans Fund of £48m last month, compared with a net repayment of £98m in June last year.

For April-June net lending was £352m less than in the same period last year.

For although the nationalised industries borrowed more, this was more than offset by a sub*stantial reduction in borrowing* by local authorities and a repayment from the National Enterprise Board.

Company failures continue to fall

BY ANDREW TAYLOR

THE INCIDENCE of bad debts and company failures is continuing to decline, according to the latest *survey compiled* by Trade Indemnity, which insures credit arrangements for industry and commerce.

In the first half of this year the number of failures recorded by Trade Indemnity fell by 23½ per cent to 778 compared with 1,017 in the same period a year ago.

In the second quarter the number of failures was almost 30 per cent down at 340.

The level of company failures reached a peak in 1976, but Trade Indemnity said that the latest *decline marked a real improvement* — unlike the 16 per cent decline last year, which largely reflected a stiffening of regulations making it more difficult and costly to be declared bankrupt.

In the most recent quarter, the sharpest reduction in the number of failures occurred in retail and *wholesale distribution, where* 78 failures were notified, compared with 123 in the previous quarter and 137 failures at the same stage last year.

Shareholders in Valor offered gas fire perk

BY ANDREW TAYLOR

VALOR yesterday became the latest company to offer its shareholders perks as a method of topping-up dividend payments. It is to give its 8,000 shareholders a 33⅓ per cent discount on one of its range of domestic heaters.

Shareholders can claim the discount on the company's Gas Glo heaters. Instead of £67.50 they will pay £45 each for up to two heaters. A similar scheme is in operation for Valor employees.

Other companies which have introduced perks for shareholders — unlike dividends, they are not subject to tax—including European Ferries, Pentos, Henderson Kenton, Grand Metropolitan and Sketchley.

The schemes are seen as one method of providing extra benefits to shareholders while dividend increases have been subject to restraint.

Ship company wants to end tanker order

By Our Belfast Correspondent

A U.S. shipping company has told the Harland and Wolff shipbuilding group that it wants to terminate a construction contract for a £28m supertanker at the centre of a dispute between the two parties since early this year.

The tanker, Coastal Corpus Christi, was tendered to Woodstock Shipping, a subsidiary of Coastal States Gas of Houston, by the Belfast yard in February and again in March, but the owner refused delivery.

The dispute went to arbitration which began in London a week ago. The ship is still lying in Belfast.

Move to help married women over pension

BY ERIC SHORT

A CAMPAIGN was launched yesterday to abolish discrimination against married women over the non-contributory invalidity pension. The aim is to have removed the normal household duties test which a married woman has to undergo to receive the benefit.

The *non-contributory invalidity* pension is a benefit paid to disabled people of working age who *do not qualify for the contributory invalidity pension*.

It has been paid to men and single women since November 1975, but the benefit was extended to married women only from *November. The weekly payment* is £10.50.

To qualify for the benefit, men and single women have to show that they are not capable of paid employment. Married women have to undergo an additional test to demonstrate that they cannot do normal household duties. It is this additional test which is causing concern and which the campaign aims at getting abolished.

It is said to be discriminatory and based on outdated assumptions about the position of married women and penalises disabled women who try to lead an active life.

The campaign has been launched by several organisations including the Child Poverty Action Group and the National Council for Civil Liberties.

Second Class Disabled, by Irene Loach and Ruth Lister; available from Equal Rights for Disabled Women Campaign, 5, Netherhall Gardens, London, NW3; 80p.

Benn backs coal in conflict between public enterprises

BY JOHN LLOYD

ATTEMPTS BY Mr. Anthony Wedgwood Benn to persuade the Central Electricity Generating Board to increase its coal burn is a public demonstration of the clear conflict of interests between two great public enterprises: the electricity boards and the National Coal Board.

In stark terms, this conflict can be summarised by saying that as the Coal Board's Plan for Coal assumes a steady growth in the coal burn while the generating board's plans for coal are that it will become less important.

Mr. *Benn's task* is to try to make them meet but he does not approach it from the position of a neutral mediator. He is firmly on the side of coal, as his decision to bring forward the construction of Drax B coal-fired power station demonstrated.

This position is not the product merely of electoral opportunism, the need to buy miners' votes. If the Government is to be consistent in its support for the coal industry then it must find markets for coal which is being produced in embarrassing abundance. In short, the problem is one of coal glut.

The 1974 Plan for Coal, agreed between the Government, unions and the Coal Board, meant an injection of cash into the industry which is now approaching £400m. Because of the *lengthening lead times for opening* new mines—or even extending old mines—most of that investment will not pay off until the 1980s.

In the interim, the Board was faced with the unhappy spectacle of investing as it never had before while, at the same time, productivity and deep-mined production continued to decline. So, last year the productivity bonus scheme was introduced, after a battle. It appears to be working.

In April, only a few months after the first areas had begun working with the scheme, Sir Derek Ezra said that it had contributed 1.5m *extra tonnes* to the deep-mined total over the 12 months ending in March of 104.4m tonnes—although that total was still down on the previous year's by 2.2m tons.

However, far from being the answer, now it seems to be part of the problem.

The main worry of the coal Board is not the product but the market. Recession in the steel industry has meant that its second largest customer takes more than 3m tons less coking coal than it did two years ago. General industrial users still are moving out of coal. The domestic market has grown *only slightly*.

It seemed possible last month that the European Community—which has come up with much of the finance the coal Board has used in the past three years—again would lend a hand.

A plan had been prepared in which about £200m of EEC funds would be used over the *next three* years to subsidise the sale of power station (steam) coal in the EEC countries.

The coal Board expected to sell about 5m tons in that market, 4m tons up on present exports. But the Energy Ministers could not agree and the plan is mothballed.

Everything *thus depends* on the coal Board's largest customer—the electricity Boards. Earlier this year all seemed well. An unwritten agreement between the generating Board and the coal Board meant that the generating authorities will take about 74m tons this year, 3.5m tons up on last year.

It seems clear now that that was a once-for-all gesture of benevolence. Indeed, part of *the reason why the Generating* Board was so irritated by Sir Derek's comment last week at the National Union of Mineworkers' conference that it was "dodging in and out of the market," and by Mr. Benn's apparent intention to reduce oil and coal imports to "residual levels," was its feeling that the Coal Board was being ungrateful after receiving a big favour.

The Generating Board's preference for nuclear stations, and its growing aversion to coal, had been apparent for some time but was made clear last month on the publication of its corporate plan for 1978.

The plan expressed extreme scepticism that the Plan for Coal targets of 135m tons of coal by 1985 and 170m tons by 2000 can be met—and then had it both ways by saying even if it did meet these targets, the coal would not be needed.

In a crucial passage, the board said: "In all scenarios studied by the generating board, nuclear power proves to be the most economic choice for electricity generation at high-load factor and its cost in real terms is likely to increase fairly slowly over time."

Allied to its strong bias in favour of nuclear power is the opinion in the generating board that coal will not prove to be markedly more attractive in price than oil for many years yet—possibly into the 1990s.

This, then, is the context in which the hard talking between Mr. Benn, Mr. Glyn England, chairman of the generating board and Sir Derek is taking place.

Sir Derek is in the unenviable position of a man who must get markets if his industry's development is not to be gravely affected.

Mr. England sticks closely to his statutory duty—to generate electricity at the lowest possible price and the highest possible efficiency.

Mr. Benn must seek to have the two industries accommodate each other.

Chinese ceramics make £1m

SOTHEBY'S held two important auctions yesterday. Chinese ceramics and works of art, which totalled £1,248,895 with less than 1 per cent unsold, and Western manuscripts, which contributed £449,520 with again, a minute percentage bought in.

Top price was the £150,000, plus the 10 per cent buyer's premium, paid by the Japanese dealer Matsuoka for an early *Ming blue and white dish* of the 14th-century with an otherwise unrecorded pattern.

Harano, another Japanese dealer, bought a very rare Tz'u Chou sgraffiato vase, c 1000 AD, for £140,000, while Eskenazi paid £110,000 for a T'ang Horse, a record at auction for a T'ang Horse. Another similar horse was bought by *Atigetchi* for £60,000.

Two more high prices were £80,000 from Matsuoka for a "hundred deer" jar with the mark of Wan Li, and £78,000 from Harano for an incised and painted Tz'u Chou jar of the Sung Dynasty.

Highlight among the manuscripts was the £130,000 paid by Schumann, a Swiss dealer, for an illuminated manuscript with 49 large miniatures made at Amiens, c.1435, for Raol d'Ailly, a soldier who probably fought at Agincourt. The manuscript contains the Hours of the Virgin, preceded by a Calendar.

The Bible of Justemont Abbey near Metz, produced c.1170, with over 2,000 painted initials and many other illustrations, went for £75,000.

It probably stayed at the Abbey until the French Revolution and was then owned by a French chemist who was using the vellum to cover medicine jars.

A travel guide to the Holy Land, produced in Padua, c.1475, by Gabriele Capodilista, with large folding maps, went for £44,000, also to Schumann.

Traylen, the Guildford dealer, bought a Book of Hours of the Virgin by the Troyes Master for £26,000. Another Hours of the Virgin from Troyes fetched £17,000.

A roll showing the royal household expenses of Edward I for the year 1289-90 sold to Quaritch for £5,000, rather more than the King's outgoings for the year.

Christie's held its annual summer sale of collectors' cars at Beaulieu and raised £317,920, with the two top lots selling. A 1927 Amilcar, a racing two seater, went for £26,000, as did a 1929 Packard which was supplied to a Middle Eastern ruler who drove it for 1,000 miles, then abandoned it.

After 30 years of dereliction, it was restored to a fine condition. A 1966 Ferrari Spyder sold for £13,000.

Among prices at the lower levels were the £1,860 *for* the last open Morris Minor to come off the production line in 1969 and the £3,200 for a 1937 Austin Mayfair seven-seater limousine.

SALEROOM

BY ANTONY THORNCROFT

T'ank horse that fetched a record £110,00.

HOME NEWS

ICI investment plans 'not justified'

BY KEVIN DONE, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries' profitability is still too low to justify its investment plans, according to Mr. Maurice Hodgson, chairman of the company.

ICI has been drawing on its cash resources to bridge the gap between low profitability and ambitious capital spending programme, amounting to about £700m this year.

But it is future projects that are chiefly threatened. Last year, ICI sanctioned fixed capital projects totalling about £800m worldwide and this total was expected to be repeated this year.

The company has "healthy liquid resources" on which to draw for the moment, said Mr. Hodgson.

But he has told ICI's Central Staff Conference that continuing to do this "will be justifiable only if we have prospects of markedly improving our profitability this year."

He warned that the company's present plans would have to be kept under close review. Predictions about growth and importance of each product would be examined.

The company's review of investment plans should be completed next month.

One result of lower growth was that a greater proportion of ICI investment would go towards replacing existing plants and less towards expansion.

But ICI's most immediate problem was the continuing dispute at its Wilton site on Teesside.

The chronic shortage of trained artificers is delaying the commissioning of a new £20m ethylene oxide derivatives plant, which is ready to start production.

The plant, which will produce chemicals for use in detergents and brake fluids, is crucial to the petrochemicals division's strategy, says the company.

ICI has already had to shut down one of its ethylene plants at Wilton and is shipping in ethylene from sources in the UK and the Continent.

The company has had only one recent meeting with senior shop stewards from the two unions involved in the dispute, the Amalgamated Union of Engineering Workers and the Electrical, Electronic, Telecommunications and Plumbing Union.

No progress was made and no further meetings have been arranged.

Meanwhile, ICI has stopped all recruitment of other weekly staff, in spite of its 200 existing vacancies, to try to avoid laying-off staff at least until the end of the holiday period in September.

Part of a plastics plant, manufacturing low density polyethylene, has already been shut down. The next plant earmarked for closure, because of the shortage of trained personnel to run it, is the propylene glycol plant.

Profit 'essential on feeder jet'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT'S approval of full-scale development of the £250m, four-engined short-haul 146 feeder-liner jet aircraft is intended to be a commercial decision.

While there is no doubt that it will boost flagging morale on the civil side of the aerospace industry, where work programmes have been running down fast, and so remove some imminent labour problems, the Government has told British Aerospace, the nationalised manufacturer, bluntly that it has got to make a profit on the venture.

It should be able to do so, provided British Aerospace achieves three things.

● First, it must ensure that the design meets precisely the emerging market demand for a small aircraft of this type.

● Design, development and production must be kept to schedule, with deliveries in 1981-82—there can be no delays if the market tide is to be adequately met.

● Third the aircraft must be delivered on specification and at a price the market can afford. With most of the sales likely to be in the Third World developing countries, where cash for expensive aircraft is limited, the 146 must be kept rugged, reliable and cheap.

The decision to revive the programme is a triumph for Lord Beswick, chairman of British Aerospace, and his team, who have consistently argued that, given the chance, they can make a success of the 146. Now, they have got what they want.

The venture was originally begun in 1973 jointly by Hawker Siddeley Aviation and the Government, when it appeared that a big market was emerging for a quiet, short-range "bus-stop" type of jet capable of lifting small loads from grass airstrips as well as big airports. But within a year the oil crisis and then industrial recession all but wiped out the world market for all types of airliners, forcing Hawker Siddeley to withdraw and obliging the Government to shelve the project.

Since then, it has been kept ticking over with only a small injection of Government cash, but this has been sufficient to sustain a small design team and get some metal cut for the prototype, so that it should not be too difficult to switch the venture back into top gear.

British Aerospace—which is now dropping the prefix "HS"

NEWS ANALYSIS

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AEROSPACE

and calling the aircraft the 146—is convinced the market is there.

After a survey of 56 airlines, together with a number of governments, air forces and interested agencies world-wide, the salesmen concluded that up to 1990 there would be a market for about 2,250 aircraft capable of meeting "low-density" demand. That is, routes with only a small volume of traffic moving at any one moment, but requiring regular short-distance flights to provide genuine "bus-stop" type air services between communities that have never had jet or any air services before, or to feed traffic into the bigger airports for onward travel.

Of this market, the British Aerospace salesmen concluded, about 1,200 aircraft would be needed in the 70- to 100-seat categories, and it is at these specifically that the 146 jet is now being aimed.

The aircraft is to be built in two versions, the Series 100 seating 70 to 90 passengers, and the Series 200 seating up to 109. There will be slight variations on these numbers according to the seating configurations individual operators adopt.

With these models, British Aerospace believes it will win sales for up to 350 aircraft, or about one-third of the world market. So far, the competition is limited — which is why British Aerospace wants to get on with the job quickly—with only Fokker-VFW of Holland in the race with its now ageing F-28 twin-jet but with plans for follow-on aircraft that could tap some part of the 146's market.

Also, bigger manufacturers like Boeing are not going to let the 146 take sales that it might otherwise win for its twin-jet 737. Although the 737 is a bigger aircraft altogether, Boeing will no doubt aim it at the same markets as the 146.

In addition, there is to be a military version of the 146 eventually, with a *redesigned tail to enable rear-loading of light tanks or trucks. Such an aircraft could also be used for* troop transport and as an air ambulance. Sales of up to 100 of the military version are anticipated.

The current plan envisages the first model, the smaller Series 100, flying by about the middle of 1980, with first deliveries to the airlines in late 1981 or early 1982.

Depending on orders, production is expected to build up to its peak in the early 1980s, and British Aerospace believes that it should be able to break even on the costs of close to £250m between the 200th and 250th aircraft.

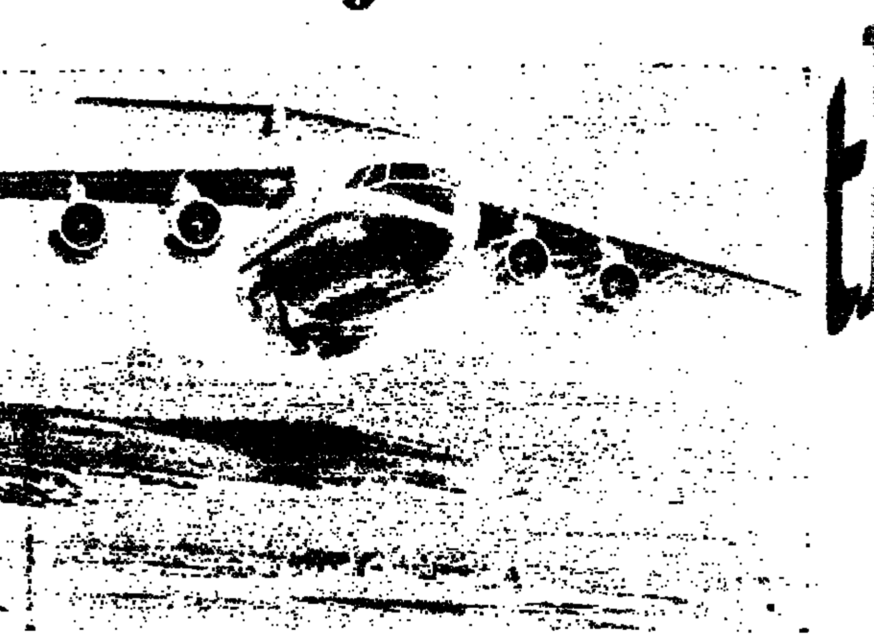
Of the £250m development costs, about £196m is for the civil versions, and the rest for the military model. Most of the spending is on research and development, including provision of jigs and tools.

However, substantial sums have been built into the figures to allow for such costs as "education" — teaching the labour force to build the aircraft —which is expected to account *for more than £71m on the civil* versions and more than £14m on the military model.

In all, about 7,000 workers in British Aerospace will be directly involved on the new jet, mostly at the Hatfield, Herts., and Filton, Bristol, factories, where work is chronically short because of the rapid rundown of activity on Trident jets and Concorde. Hatfield will control the programme, including final assembly and flight testing, and some parts will also be built at Brough in Yorkshire, and at other British Aerospace factories.

Additionally, more than 4,000 workers in ancillary industries, such as electronics and hydraulics, will be involved in making equipment and parts. Wherever possible, British Aerospace will buy in ready-made parts, to keep the aircraft cheap and fast in development.

But up to about 35 per cent foreign participation will be encouraged. Saab-Scania of Sweden and Aeritalia of Italy may build some parts. Avco Lycoming of the U.S. will provide the four ALF-502H engines, because Rolls-Royce does not have an engine in the appropriate thrust category of 6,700 lbs, and the U.S. company may also build the wings for the jet.



An impression of the short-haul four-engined 146 feeder-liner jet.

Exporters 'could welcome lower exchange rate'

BY ANTHONY HARRIS

BRITISH exporters would probably welcome a somewhat lower effective exchange rate, and would invest more if their overseas earnings improved.

These are some of the main findings of a survey made for the Confederation of British Industry, in which 25 concerns from a wide range of industries were interviewed at length by a team of professional economists.

Any sharp appreciation—certainly any rise above the levels ruling at the start of this year—would be highly discouraging, and would be regarded by some firms as a disaster. Official intervention to damp down short-term fluctuations is generally regarded as helpful.

The survey showed that British companies tended to take a jaundiced view of the effect of exchange rate changes in general. Thus, while it was widely appreciated that a fall in the effective rate would tend to increase the rate of inflation—and one firm thought that the damage threatened in this way would be greater than any gain in competitiveness—few had noticed any helpful effects on inflation when sterling was strong.

It was also felt that any markets lost when sterling was over-valued would be difficult or impossible to win back even if the currency reverted to its original level.

Most companies seemed to assume that market forces would ensure that the exchange rate would reflect changes in competitiveness, at any rate in the long run, and their views on desirable or undesirable changes implied a change in competitiveness.

The academic team, chaired by Mr. Peter Oppenheimer of Christ Church, Oxford, pointed out that there was little evidence from the experience of floating to support this view of how the market works.

They argue that to meet the needs of industry the Government must have a policy to maintain competitiveness. This might imply relaxation of exchange controls to offset the impact of UK oil production on the balance of payments — especially the recent restrictions on the use of sterling to finance third-country trade.

The team found that companies were on the whole reluctant to take a long-term view of competitive conditions, and base their plans on such a view: any benefit to investment would be a direct result of the improved flow of profits to finance investment.

Companies would probably invest in plant—which the team thought urgently necessary to make up for lagging investment in recent years—and few would contemplate such steps as increased investment in overseas marketing.

The report comments that UK companies have become much more sophisticated in their handling of foreign currency markets, making wide use of forward cover and foreign-currency invoicing.

As might be expected, those with the largest element of sterling cost and the narrowest profit margins were most concerned about the movement in the rate, and about a third of the companies interviewed were more or less indifferent to the level of the rate.

£20m order for Westland helicopters

THE MINISTRY of Defence has placed an order with Westland Helicopters, Yeovil, for 15 Commando helicopters, a variant of the big Sea King helicopter which is already in service in the UK for anti-submarine warfare duties. The order is believed to be worth more than 20m including spares.

The Commando order will give a major boost to Westland, which has been having difficulties in negotiating new pay rates for a substantial number of workers at its Yeovil factory.

Last month the group announced that it would not pay an interim dividend—and warned that full year profits might be disappointing—because of its failure to negotiate a new wage formula to bring an end to the piecework system of payments at the helicopter plant.

Dataquest director dismissed

MR. ROGER COGHILL, managing director of Jordan Dataquest —financial survey publishers and part of the Jordan group of company registration agents—has been dismissed. He is considering legal action against the company.

He said yesterday: "My contract was terminated without warning or consultation last Friday and since the matter is in the hands of my solicitors I prefer not to comment."

Jordan confirmed this but refused to comment on Mr. Coghill's remarks that he had become redundant because the group had decided to curtail severely its industrial surveys from 60 last year to about 15 this year.

Aviation changes

IMPROVEMENTS IN customs arrangements for "general aviation" aircraft — including light aircraft used by businessmen—are recommended in a new joint report prepared by the Customs and Excise in conjunction with the busines and light aviation community.

Among the recommendations are radical changes in documentary procedures to make it easier for business aircraft to fly internationally to and from the UK, with improved arrangements for those using aerodromes specially approved by Customs for business flights.

Other proposals include support for the designation as "Customs airports" of Humberside (Kirmington) and Staverton (Gloucester-Cheltenham) airfields, and some relaxations in the "prior notice" requirements for obtaining Customs clearances for certain flights.

Scots unemployed

JOB CREATION and other Government employment measures could have accounted for as much as half of the drop in unemployment in Scotland since the beginning of the year.

The Scottish Office's quarterly economic bulletin, published yesterday, estimates that over the first four months of the year the coverage of measures such as Temporary Employment Subsidy, the Job Creation and Work Experience programmes and the small companies' subsidy was increased from 52,000 people to 60,000.

Scottish Economic Bulletin No. 15. S.O. £1.75.

Effluent exports

AGAINST THE background of a declining home market, British manufacturers of water and effluent treatment plant increased their exports last year by 38 per cent to a record value of £55m.

Export work accounts for 53 per cent of the order books of members of the British Water and Effluent Treatment Plant Association.

More car users

THE USE of cars for business in central London has increaed substantially since 1966, the Greater London Council said in a report published yesterday.

There was also growing evidence that more motorists were feeding meters illegally.

The report is a preliminary research document to a Green Paper to be published by the council in the autumn.

Move to develop derelict docks

BY PAUL TAYLOR, INDUSTRIAL STAFF

DERELICT SITES in the London dock areas are to be examined by the Greater London Council to see if they are suitable for a large shopping centre, sports complex, exhibition centre and fun fair.

The sites have been selected by the Docklands Joint Committee, and will be discussed to-day by the council's Plan- and Communications Policy Committee.

The GLC hopes to encourage private investment in the East End.

Miss Shelagh Roberts, chairman of the committee, said: "We are giving a clear indication of the path we think development should follow. Now it is up to the private sector to take up the challenge."

The Docklands Joint Committee has suggested three possible places for a shopping centre or hypermarket of about 200,000 sq ft on a site of 20 acres.

The sites are North Quay, West India Dock; near East Beckton district centre; and beside Tunnel Approach, at the northern end of the Blackwall Tunnel.

Several sites, including the disused Surrey Docks, are suggested for a sports complex, and the Docklands Committee suggests that a site with river frontage might be desirable for a 500,000 sq ft international exhibition centre and a 20-acre "Tivoli Gardens"-style fun fair.

The committee has sought council approval for a 50-acre golf course on Surrey Docks, the Isle of Dogs or Victoria Docks.

● The Port of London Authority was given the backing of its customers yesterday on the need for a quick Government decision to remove the uncertainty over the future of the near-bankrupt Upper Docks.

The London General Shipowners' Society, representing shipowners using the Port of London, said it supports a solution to the financial crisis facing the authority based upon the need for future viability.

However, the society gave a warning that "uncertainty is a very damaging feature" and that unless action is taken "promptly" some shipowners may desert the port before the final decision is made.

The PLA has stressed to the Government the importance of reaching a final decision over the future of the docks, and in particular the suggest closure of the Royals, as soon as possible. It wants the Government to make a commitment on the docks future by the end of this month.

Mr. William Rodgers, Transport Secretary, is at present studying the PLA's proposals in junction with union suggestions.

Two IBM teams in final of management contest

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

TWO TEAMS from IBM have won through to the four-team final of the 1978 UK national management championship, in London on July 25.

The championship is sponsored by the Financial Times, ICL, and the Institute of Chartered Accountants in England and Wales, in association with the Confederation of British Industry and the Institute of Directors.

The other finalists competing for the £1,000 first prize are Shell UK and Thornton Baker, chartered accountants, of High Wycombe.

Finalists in the "plate" competition—held for teams knocked out in the first round of the championship, which started in January with 928 entrants—are Dexion, GKN Group Services, and Unicorn Industries. The £500 plate will be decided in London on Friday.

Toyota challenges hatchback sector

BY TERRY DODSWORTH

A NEW contender in the small hatchback sector of the car market was launched in Britain yesterday by Toyota, the second largest of the Japanese importers in the UK.

The new car—the Starlet—is just less than 12ft long, falling midway in size between cars such as the Volkswagen Polo and Golf.

Although styled on similar lines to the modern range of European cars in this class, it utilises the traditional front-engine, rear-wheel drive configuration which most European producers have abandoned in favour of front-wheel drive.

Introduction of the Starlet, powered by a 1 litre engine, means that Toyota (GB) will be dropping the 1000 model from its range.

The 1000 model was never as successful in Britain as Toyota had hoped, but the company clearly is aiming to step up sales in this sector with the Starlet.

Toyota's target is registrations of 3,000 by the end of the year.

Harold Perry

A PASSAGE in our article Leasing and HP Options published on Friday alluded to the recent announcement that the Inland Revenue is challenging the Harold Perry organisation on some aspects of its vehicle leasing operations.

It has been pointed out that the impression might have been given by this reference in its context that the Harold Perry organisation was to be thought of as one of the "fringe elements of the industry" referred to earlier in that passage.

This would be a quite mistaken impression: Harold Perry is, of course, a long-established and reputable public company. So far as Harold Perry is concerned, there is no element of tax avoidance in any of its vehicle leasing schemes.

LancerBoss seeks expansion after 39% sales increase

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

LANCERBOSS, the privately-owned forklift trucks group which suffered severe financial problems in 1974, last year "achieved real growth" for the first time since that period and is now seeking expansion.

Sales in the year to the end of March rose 39 per cent, on the previous year to £31m, while taxable profit jumped 74.6 per cent, to £3.94m.

Shareholders' funds increased by £3.4m to £8.2m. With interest-bearing borrowings at £2m, the group's debt to equity gearing fell to 0.24 to 1, "a most satisfactory position from which we can contemplate expansion with stability," according to Mr. Neville Bowman-Shaw, founder-chairman.

Although LancerBoss has the capacity and resources to double output in unit terms at its Leighton Buzzard plant, within two years it will need a new plant some distance away.

Marketing

The new town of Milton Keynes, adjoining Leighton Buzzard, was becoming an embarrassment in that it was creating more jobs than there are people to fill them and inflating pay levels.

While internal growth would remain in the main policy, Lancer Boss could be interested in "compatable acquisitions," Mr. Bowman-Shaw said.

Some tentative contacts had already been made and, if they were to come to anything, serious negotiations would probably begin in the autumn.

Capital expenditure this financial year would rise by £700,000 to £2.3m compared with last year and the group would also be spending an extra £1m on marketing, taking expenditure to £3m.

Exports accounted for 70 per cent of turnover last year and should remain stable.

However, the order book was "undesirably short," at the equivalent of between three and four months work, and was about the same as it was in the autumn of 1976

"We don't expect it to improve until the second half of 1979 because we must wait for one of the major world economies to be reflated," said Mr. Bowman-Shaw.

Greater investment in tourism sought

BY CHRISTOPHER DUNN

A CALL for more investment in English tourism was made yesterday in London by Sir Mark Henig, chairman of the English Tourist Board.

Sir Mark said that, without more investment, the industry might not be able to cope with the projected increase in demand during the eighties.

"England's tourist industry needs the support not only of central and local government, but also of investment from the private sector.

"There is a need for industrialists, as well as for the guardians of pension and insurance funds to have confidence in tourism as an investment opportunity."

Sir Mark, presenting the annual accounts of the State-owned promotion body, said that England's 39 seaside resorts in particular needed to attract substantial new investment, particularly from the private sector.

Husbands accused over pay

HUSBANDS WERE accused yesterday of spending their pay rises in betting shops and pubs instead of helping their wives cope with increasing food bills.

The result was that housewives were spending less on food for the family, said Mr. Derrick Hornby, president of the Food Manufacturers' Federation.

"One of our market research surveys showed that 30 per cent of housewives thought their husbands had not had a pay rise in the past year.

"This is, of course not true. Husbands are not coughing up. Wives are not getting a fair share of disposable income. The money is more likely to be going to the betting shop or pub."

Mr. Hornby, manufacturing director of the international division of Spillers, speaking after a federation seminar, added: "One of the reasons in this country why we can't pay people by cheque is because the husband does not want his wife to know how much he gets."

West Midlands exports up slightly

Financial Times Reporter

A "SLIGHT improvement" in home and export business was again reported by members of the West Midlands Regional Council of the Confederation of British Indnstry.

Mr. Eric Swainson, regional chairman, gave a warning, however, against reading too much into the report. "There is no strong feeling of confidence that this pick-up will continue," he said, "especially with an election a definite possibility in the autumn."

Sectors reporting more orders since the last meeting two months ago included electronics, hardware and the building industry.

Overseas trade sales to Europe were said to be "rather better" than two months ago. "But the position is lumpy," Mr. Swainson added. "One good order can be followed by a period without anything coming forward."

Avon plans to double Northampton output

BY PAUL TAYLOR

AVON, the direct-selling U.S. cosmetics multinational, is to spend £18m on new plant in the initial phase of an expansion programme which will double production capacity at its UK base in Northampton.

Mr. Brian Crosby, UK managing director of Avon Cosmetics, announcing the expansion plans yesterday, said that the Government had agreed a selective investment grant of £1.875m for phase one of the programme, due for completion in mid-1980.

A second-phase development involving a further investment of about £18m in new warehousing facilities on the same site would follow and was due for completion in the late 1980s.

Although the announcement of the expansion plans was widely expected, the level of investment was a surprise and is seen as a vote of confidence in the Northampton factory and in the UK end of Avon's international sales and production.

Wave-testing tank holds key to future energy source

BY DAVID FISHLOCK, SCIENCE EDITOR

AN INGENIOUS new way of reproducing hostile North Sea conditions in a laboratory was demonstrated yesterday to Mr. Alex Eadie, Energy Under-Secretary in Scotland.

Mr. Eadie was opening the £100,000 wave-testing tank, built for the University of Edinburgh and paid for by the Department of Energy.

He reaffirmed the Government's commitment to investigate wave power as a future energy source and said that the Government would double the rate at which it was financing this line of energy research.

He was shown how 350 tonnes of water in a tank 90 feet long can be churned into a simulation of almost any sea condition — including freak waves — under the surveillance of a micro-processor.

This is designed to test small-scale models of one of the most promising methods of harnessing wave power, the "nodding duck" concept of Mr. Stephen Salter of the Department of Mechanical Engineering at Edinburgh University.

Last week, the Central Electricity Generating Board said that wave power was showing enough promise as a potential source of electricity to warrant bringing its two engineering divisions—generation and transmission—into an area until now the preserve of its research division.

The wave tank is to be made available to the Board's engineers.

The Edinburgh project group believes that its wave-power system could be developed to generate electricity competitive in price with nuclear power.

The Board says more cautiously that wave power could perhaps compete with non-nuclear power "if fossil fuel prices were again to raise substantially."

Mr. Salter's scheme for harnessing waves centres on a duck-shaped cam set on a flexible spline, anchored so that waves striking the cam will cause it to nod and produce a hydraulic pumping action to drive a generator.

The generator will be set inside the cam. Cables buried in the sea-bed will bring the electricity ashore.

Edinburgh's calculations suggest that peak-power outputs of 80 kW per metre of shore line are available from the seas around Britain.

But generation and transmission losses are likely to be heavy, reducing the yield to perhaps one-third of this figure.

The wave tank will test small-scale models only 1:150th of the size currently envisaged for power generation. On this scale, the facility represents an area of about 3 square kilometres, and events will take place about 12 times faster than they would at sea.

HOME CONTRACTS

£2m modules for oil rigs

OMISCO, Aberdeen, has a £2m contract for work on BP's Forties field installing accommodation modules on two production platforms.

★

Worth over £1.2m, a contract has been awarded to WALTER LAWRENCE for the construction of a commissary at RAF Station, Bentwaters, Suffolk. Placed by the Property Services Agency on behalf of the United States Air Force, work has started, and completion is due in August 1979.

★

A £700,000 contract for the installation of environmental control equipment and mechanical services is being undertaken by ASHWELL SCOTT at the new Leman Street, E1, premises of Centre-File, the National Westminster Bank's computer bureau subsidiary.

★

GEC-GENERAL SIGNAL has a contract from Redpath Dorman Long (Contracting) for railway signalling interlocking at the British Steel Corporation, Teesside. The signalling is required at the Lackenby Entrance to control locomotives transporting molten metal between the blast furnaces and the steelworks.

★

As part of a £4½m development plan by the International Paint Co., Gateshead, SIMON-SOLITEC of Gloucester, (a Simon Engineering company) is to build a pilot bulk storage and handling plant worth nearly £82,000 designed to confirm the suitability of bulk handling techniques for the manufacture of special paints.

★

Two contracts valued at £100,000 have been won by WRIGHT AIR CONDITIONING (SCOTLAND), Glasgow. Both are for computer rooms, one for Aberdeen District Council and the other for A. R. Findlay of Glasgow.

★

As part of an air conditioning system refurbishment at the National Gallery, Trafalgar Square, FILM COOLING TOWERS is to supply eight packaged cooling towers, with acoustic screening for near-silent operation.

★

DOWTY has been chosen by the Ministry of Defence to design and manufacture the primary flying controls for the fly-by-wire demonstrator programme to be carried out on a Jaguar aircraft. Briefly, this means replacing the usual mechanical linkage to the control surfaces with an electrical system. This work will be undertaken by Dowty Boulton Paul under direct contract to British Aerospace at Wharton.

★

Work starts shortly on the third and final phase of a housing development at Old Hall, Bentley, for Walsall Metropolitan Borough Council. Worth over £2¼m this is a further contract at Bentley awarded to C. BRYANT AND SON, Solihull, and is for 169 centrally-heated houses of traditional design and construction. Site work will include treatment of disused mineworkings.

Kuwait Airways launch the businessman's Jumbo

The first office penthouse in the sky and the first Jumbo direct from London to Cairo-Kuwait-Bombay.

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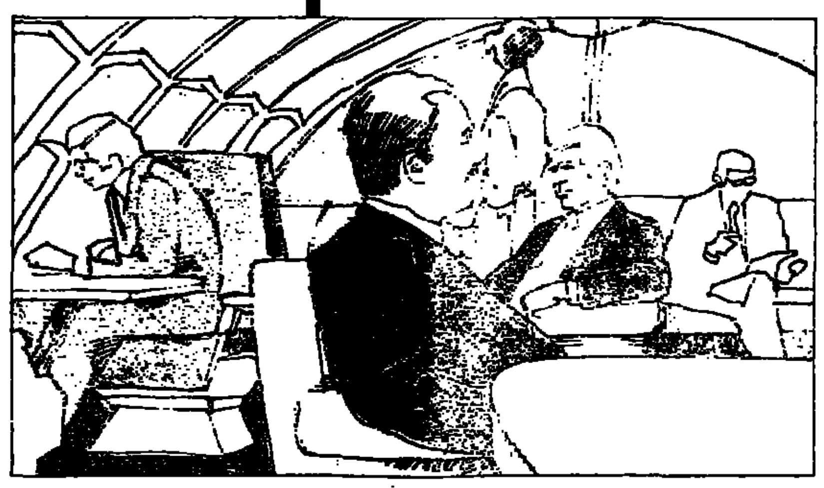
THE BUSINESSMAN'S STUDY: In the Economy Section, our new Jumbo jets provide a quiet study area, so you don't have to lose time while in transit, but rather sink into a comfortable seat, have refreshment and do your work. Remember, there will not be any telephone interruptions.



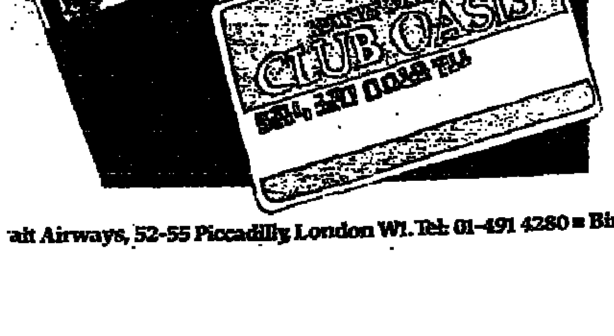
THE PENTHOUSE SUITE: First Class passengers will enter a world flavoured with the East. The richly-carpeted and cushioned observation lounge in the penthouse will make the hours pass unnoticed.

THE BUSINESSMAN'S ENTERTAINMENT: We know you won't want to think business all through your flight. That's why we're the only airline with entertainment on every flight. We show films or you can tune into the latest in stereo sound.

TIME-HONOURED HOSPITALITY: As our planes get bigger so does our service, for us hospitality is a serious matter, and something we're proud of. That's why we offer you a choice of three menus in First Class and two in Economy Class.

THE BUSINESSMAN'S CLUB OASIS: We will be inaugurating our exclusive Club for those who like extra information and enjoyment on their business trip. First Class passengers become members automatically. And this service will be indispensable when you arrive in Kuwait, to help and inform you of existing services.

THE BUSINESSMAN'S SCHEDULE: Join us on our Jumbos from London Heathrow direct to Cairo-Kuwait and Bombay three times a week, or from London to Rome-Kuwait once a week. Our inauguration Jumbo service starts this autumn. Don't forget our 707 flights leave London for Kuwait every day with direct flights from Monday to Friday.



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NOTICE OF REDEMPTION
To the Holders of

NEW ZEALAND

9¼% Bonds due 1982
(due August 15, 1982)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected for redemption on August 15, 1978 at 100% of the principal amount thereof through operation of the Sinking Fund, $1,600,000 principal amount of said Bonds bearing the following distinctive numbers:

M-32	2625	5368	8185	10618	13253	15442	18950	21197	22373	25188	27022	28706	30539	32702	35228	37919
[illegible]																
2168	4923	7626	10197	12821	15320	18056	20627	23046	24808	26613	28466	30195	32151	34839	37438	39933
2175	4926	7680	10217	12872	15349	18057	20645	23059	24826	26629	28470	30213	32154	34855	37458	39935
2199	4934	7699	10218	12878	15368	18070	20667	23066	24861	26670	28474	30222	32158	34899	37502	
2259	4237	7710	10236	12690	15385	18075	20703	23092	24876	26675	28488	30244	32197	34902	37504	
2269	4953	7734	10297	12918	15454	18157	20714	23109	24899	26683	28516	30257	32214	34910	37551	
2322	4973	7766	10316	12968	15488	18176	20765	23140	24921	26712	28528	30262	32238	34952	37589	
2329	5024	7836	10338	12979	15507	18251	20767	23167	24930	26776	28557	30263	32311	34991	37602	
2356	5062	7854	10356	13005	15550	18252	20777	23180	24966	26788	28563	30268	32327	35024	37644	
2383	5071	7868	10359	13007	15558	18299	20811	23194	24992	26790	28591	30347	32386	35029	37653	
2364	5101	7895	10374	13110	15582	18307	20819	23230	25022	26840	28616	30359	32407	35110	37672	
2437	5142	7942	10385	13115	15656	18355	20872	23262	25041	26841	28621	30378	32426	35115	37759	
2454	5168	7945	10406	13176	15657	18361	20919	23277	25044	26881	28625	30382	32428	35119	37760	
2458	5172	7998	10418	13209	15659	18431	20920	23283	25061	26904	28632	30423	32491	35157	37777	
2488	5185	8023	10502	13226	15685	18435	20988	23304	25068	26925	28642	30426	32525	35181	37790	
2516	5201	8034	10526	13242	15766	18448	21016	23308	25113	26989	28649	30432	32590	35195	37810	
2544	5263	8113	10536	13272	15769	18465	21018	23314	25125	27014	28675	30459	32627	35198	37861	
2595	5266	8128	10557	13280	15804	18551	21094	23348	25140	27015	28697	30465	32654	35210	37894	

On August 15, 1978, the Bonds designated above will become due and payable at the principal amount thereof in such coin or currency of the United States of America as is legal tender for the payment therein of public and private debts, and will be paid upon surrender thereof at the corporate trust office of **Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015**, or, at the option of the bearer but subject to any laws and regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, London or Paris, or Bank Mees & Hope NV in Amsterdam or Credit Industriel d'Alsace et de Lorraine in Luxembourg.

Bonds surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due August 15, 1978 should be detached and collected in the usual manner.

From and after August 15, 1978 interest shall cease to accrue on the Bonds herein designated for redemption.

HER MAJESTY THE QUEEN IN RIGHT OF NEW ZEALAND

July 12, 1978

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

M-1910	2712	3533	4193	5407	5833	6134	7543	10774	11304	11327	13754	14514	27394	38866
1982	2726	4016	4957	5888	6036	6289	8251	10798	11310	11408	13738	14518	33682	38869
2705	2853	4018	5304	5925	6059	7140	9387	10902	11320	12100	13767	26763	38305	39032

LABOUR NEWS

Worker participation plan for railways threatened

BRITISH RAIL could become the only nationalised industry without firm proposals for industrial democracy at Board level after the end of this month—the Government deadline for schemes in state industries.

Although the National Union of Railwaymen, the biggest in the industry, took the lead from other unions in State industries in investigating a scheme for worker participation several years ago, the union may now be forced to drop the idea because of resistance by other rail unions.

The 180,000-strong union disclosed yesterday that fundamental differences over industrial democracy with ASLEF the train drivers' union, could block its plans for full worker participation in British Rail.

Mr. Sid Weighell, general secretary, said that talks would take place on a proposal for the NUR to "go it alone" on worker participation immediately after the conclusion of the union's annual conference next week.

He will be pointing out the risks entailed. In particular he feared the NUR will be vulnerable to attack if it were the only union involved in unpopular policy decisions.

He said that talks soon with British Rail Board would explore the possibility of the NUR taking a unilateral decision.

Such a step was "bristling" with problems. "If we can't go all in together there is a case for dropping the plan altogether."

Following the Post Office example, the steel, aerospace and shipbuilding industries are all expected shortly to produce plans of their own for submission to Parliament.

Friction exists between the NUR and ASLEF on a range of issues and is also threatening the NUR's hopes for a productivity deal with the rail board based on increases in passenger and freight carriage.

Mr. Weighell said on the second day of the union's two-week conference in Llandudno yesterday that there were three different views on industrial democracy held by the three unions in the railways.

ASLEF's objections to workers being party to decision-making had already left the seats on the regional boards of British Rail to the NUR.

Mr. Weighell said the railways had a "highly development consultation procedure." But this was a "negative" system because workers were not involved in the formulation of policies.

Delegates carried a motion calling for 50 per cent worker participation on boards of companies with independent negotiating rights to all employees to replace joint consultation procedures.

Mr. Weighell made it clear that the union wanted ultimately a tailor-made system for the railways with a transfer of consultation powers to the negotiating structure.

TUC urged to back policy against NF

By Pauline Clark

THE National Union of Railwaymen which this year became the first union to threaten expulsion of "racialist and anti-union" activists in the National Front, has asked the TUC to urge all affiliated unions to adopt the same policy.

The request, which has been sent to the TUC Equal Rights Committee, seems likely to revive the public controversy of last spring over whether unions should have the right effectively to deprive people of their jobs because of political activities of which their union executives do not approve

Mr. Sidney Weighell, general secretary, warned delegates yesterday at the union's annual conference in Llandudno that they must be prepared for a further barrage of public criticism when the union implements its disciplinary proceedings for the first time against a National Front member.

Because the 180,000-strong union has a closed shop for the bulk of railway employees, it has power to deprive an individual of his job by taking away his union card.

The executive decided last March to instruct branches to identify members using the NUR structure and their position as union officers to recruit National Front members in the railways and to subject them to the union's disciplinary procedure. But so far no cases have been put forward.

Mr. Weighell complained that there had been misrepresentation of the union's original decision. The National Front Railwaymen's Association was not made up of "just a few cranks." It was a "dangerous group" working systematically to recruit members through the NUR structure.

"Our intentions have been distorted by the media although we have made it clear that we are not seeking to expel members because of their political views." The issue was about fascist activities, Mr. Weighell said, and not about political views.

Civil servants may strike

BY PHILIP BASSETT, LABOUR STAFF

INDUSTRIAL civil servants will consider a total strike if the Government does not improve its 10 per cent pay offer. Mr. Mick Martin, public services' national secretary of the Transport and General Workers' Union, said yesterday.

Widespread industrial action has already been taken in support of the 183,000 industrial civil servants' pay claim.

Action meeting

London shop stewards are to meet on Friday to consider co-ordinated action on the claim throughout the London area.

The Transport union is the biggest union representing the industrial grades of staff, who include dockyard workers, ordnance workers, drivers and Whitehall messengers.

Two different forms of 10 per cent pay offers from the Government have already been rejected.

Mr. Martin said that until the Government improved its offer, the present industrial action — which has included stoppages at Portsmouth and Rosyth dockyards and the blacking of two nuclear submarines — would continue.

If no improvement was made, the joint trade union side would consider a total stoppage, which would cause serious disruption to the country's defences.

Talks between the unions and the Civil Service Department have broken down.

Mr. Martin said that many workers were working with members of the armed services, and wanted the same assurance as they received to "restore them to full compatability by April 1980."

The unions also want commitments on comparisons with private sector manufacturing industry and on the introduction of four weeks' holiday a year.

Webley Scott to dismiss 100

MORE THAN 100 workers are to lose their jobs at the Webley and Scott gun-making factory, West Bromwich, West Midlands. The redundancies, among shop-floor and office workers, will cut the workforce by about a third.

A slump in export orders and an influx of cheaper guns from Europe and Japan is blamed for the cut.

Post Office engineers on strike for a 35-hour week march past the Post Office tower in Marylebone.

Walkout by 25,000 Post Office men

BY ALAN PIKE, LABOUR CORRESPONDENT

ABOUT 25,000 Post Office engineers in the London area held a half-day strike yesterday in support of their demands for a 35-hour working week.

A demonstration in London included a march to the TUC headquarters where representatives of the men handed in a letter for Mr. Len Murray, general secretary, calling for the TUC's "practical support."

The Post Office Engineering Union said in a statement that TUC support was being demanded because there was a need to press the Government to allow more flexibility in collective bargaining in both pay and hours.

"We want the support of other unions because more and more of them will face in the future the problems of technological change which we are facing in telecommunications now."

The statement said the union's members would continue to accept changes in technology and working practices only if they could reap benefits themselves such as the shorter working week.

Since the union stepped up its sanctions in support of its long-standing 35-hour week claim, 71 engineers have been sent home for refusing to work normally and thousands more have staged short walks-outs in their support. Yesterday two men in Colchester, Essex, were sent home and this may lead to other engineers in the town stopping work today.

Fair wages award of 15% won for dock chiefs

BY OUR LABOUR STAFF

THE ENGINEERS and Managers' Association has won a Fair Wages award of about 15 per cent for managers and directors at Smith's Dock, the British Shipbuilders' company on Teesside.

The award, made by the Central Arbitration Committee, concerns about 70 managers and five local directors. The increases, slightly lower for the directors, are backdated to March 1.

The union said yesterday that managers' salaries before the award averaged about £5,200 with a maximum of about £7,000.

The salaries of the local directors, who in some companies would be described as senior managers, fell within that range.

The Association said that the award, which follows two other awards secured by the union for professional and managerial staff in shipbuilding, compares favourably with those achieved by the industry's other unions.

London Clearing Banks' balances

as at June 21, 1978

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1.
AGGREGATE BALANCES

	Total outstanding £m.	Total outstanding £m.	Change on month £m.	Change on month £m.
LIABILITIES				
Sterling deposits:				
U.K. banking sector	4,274		− 88	
U.K. private sector	26,664		+264	
U.K. public sector	665		+ 47	
Overseas residents	2,331		+ 78	
Certificates of deposit	2,438		+ 75	
		36,372		+ 375
of which: Sight		15,193		+ 90
Time (inc. CD's)		21,179		+ 285
Foreign currency deposits:				
U.K. banking sector	3,968		+302	
Other U.K. residents	1,147		− 37	
Overseas residents	11,111		+ 93	
Certificates of deposit	1,160		+ 32	
		17,386		+ 391
Total deposits		53,759		+ 766
Other liabilities*		9,364		+ 578
TOTAL LIABILITIES		63,122		+1,344
ASSETS				
Sterling				
Cash and balances with Bank of England		1,143		+ 32
Market loans:				
Discount market	2,166		+ 26	
U.K. banks	5,227		− 10	
Certificates of deposit	820		− 49	
Local authorities	1,205		− 99	
Other	362		+ 30	
		9,781		− 103
Bills:				
Treasury bills	389		+ 32	
Other bills	944		+ 3	
		1,333		+ 35
Special deposits with Bank of England		430		− 422
Investments:				
British Government stocks	2,283		+ 10	
Other	1,435		+ 3	
		3,718		+ 13
Advances:				
U.K. private sector	18,819		+591	
U.K. public sector	276		+117	
Overseas residents	3,214		+120	
		22,309		+ 829
Other sterling assets*		5,814		+ 430
Foreign currencies				
Market loans:				
U.K. banks and discount market	3,764		+337	
Certificates of deposit	277		− 25	
Other	7,186		+270	
		11,228		+ 582
Bills		56		—
Advances:				
U.K. private sector	2,187		− 26	
U.K. public sector	1,103		− 26	
Overseas residents	3,127		+ 1	
		6,417		− 51
Other foreign currency assets*		893		− 1
TOTAL ASSETS		63,122		+1,344
Acceptances		262		+ 3

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
LIABILITIES												
Total deposits	53,759	+766	14,713	+230	9,773	− 57	11,249	−104	16,247	+595	1,776	+ 82
ASSETS												
Cash and balances with Bank of England	1,143	+ 32	337	− 8	210	+ 35	243	+ 31	303	− 24	29	—
Market loans:												
U.K. banks and discount market	11,158	+352	2,823	+ 55	2,367	+ 25	1,844	− 89	3,791	+337	333	+ 25
Other	9,852	+127	2,687	+108	2,477	−202	1,412	− 97	2,957	+300	319	+ 17
Bills	1,389	+ 35	254	− 10	102	− 6	617	+ 57	368	− 30	48	+ 24
Special deposits with Bank of England	430	−422	132	−125	59	− 60	99	− 98	127	−126	13	− 13
British Government stocks	2,283	+ 10	505	− 5	437	—	392	− 13	818	+ 14	130	+ 15
Advances	28,726	+778	8,448	+379	4,307	+170	6,675	+ 47	8,308	+178	987	+ 4

TABLE 3. CREDIT CONTROL INFORMATION
(Parent banks only)

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
Eligible liabilities	25,164	+366	7,681	+110	3,798	+217	6,159	− 11	6,660	+ 37	866	+ 12
Reserve assets	3,414	+ 84	1,022	− 2	555	+107	831	− 11	896	− 10	109	+ 1
Reserve ratio (%)	13.6	+ 0.2	13.3	− 0.2	14.6	+ 2.1	13.5	− 0.2	13.5	− 0.2	12.6	− 0.1

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)
ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS
1—Banks

	June 21, 1978 £m	Change on month £m
Eligible liabilities		
U.K. banks		
London clearing banks	25,304	+367
Scottish clearing banks	2,748	+ 41
Northern Ireland banks	855	+ 14
Accepting houses	1,813	− 92
Other	6,376	− 91
Overseas banks		
American banks	3,986	−154
Japanese banks	307	+ 44
Other overseas banks	2,745	−243
Consortium banks	235	− 10
Total eligible liabilities*	44,370	−133
Reserve assets		
U.K. banks		
London clearing banks	3,433	+ 85
Scottish clearing banks	362	− 1
Northern Ireland banks	121	+ 3
Accepting houses	256	− 35
Other	902	+ 14
Overseas banks		
American banks	550	− 63
Japanese banks	48	+ 8
Other overseas banks	423	− 67
Consortium banks	47	− 2
Total reserve assets	6,141	− 59
Constitution of total reserve assets		
Balances with Bank of England	393	+ 42
Money at call:		
Discount market	3,290	− 49
Other	250	+ 34
Tax reserve certificates	—	—
U.K., Northern Ireland Treasury Bills	834	− 86
Other bills:		
Local authority	130	+ 12
Commercial	789	+ 31
British Government stocks with one year or less to final maturity	455	− 43
Other	—	—
Total reserve assets	6,141	− 59
Ratios %		
U.K. banks		
London clearing banks	13.6	+ 0.2
Scottish clearing banks	13.2	− 0.2
Northern Ireland banks	14.2	+ 0.2
Accepting houses	14.1	− 1.2
Other	14.2	+ 0.5
Overseas banks		
American banks	13.8	− 1.0
Japanese banks	15.7	+ 0.5
Other overseas banks	15.4	− 1.0
Consortium banks	20.1	+ 0.2
Combined ratio	13.8	− 0.1
	£m	£m
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	362	+ 36
2—Finance houses		
Eligible liabilities	355	+ 14
Reserve assets	37.3	+ 0.2
Ratio (%)	10.5	+ 0.1

Special deposits at June 21 were £651m (down 633m) for banks and £5m (down £5m) for finance houses. * Interest-bearing eligible liabilities were £29,733m (down £367m).

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Need for tax law equality agreed

BY IVOR OWEN, PARLIAMENTARY STAFF

ITH THE coming General ection clearly in mind, Govern- ent and Opposition leaders knowledged in the Commons it night the need for more ndamental changes in the tax v to provide equality of treat- ent for women.

The Government new clause to e Finance Bill, giving 6m rking wives a statutory right receive their own repayments tax under the PAYE system, stead of being obliged to tain them through their sbands, was given an un- posed second reading.

Mr. Joel Barnett, Chief Secre- ry to the Treasury, admitted at this change — "It is credible that it has not been ne before"—could only be garded as a first step.

He looked forward to the ssibility of more radical form, including a re-examina- n of the principle of the gregation of the income of sbands and wives for tax rposes, after further consulta- ns with the Equal Opportuni- es Commission and other dies.

Sir Geoffrey Howe, shadow ancellor, underlined the need r more fundamental changes d described the provisions in e new clause as mainly cosmetic."

While carefully refraining om any commitment, he high- ghted the disparity in the valua- on, in terms of tax allowances, tween wives who stay at home d those who go out to work.

It was beginning to look, he id, as if the best solution would the provision of a basic rsonal allowance of the same ze, regardless of sex or married status, which would be claimable against the wife's or husband's income.

Then these two personal allow- ances could be aggregated against the income of the husband and wife or against the single income of the husband in cases where he was the only wage earner.

But Sir Geoffrey stressed that it would be wrong to expect such changes to be made "overnight" and warned that reforms in favour of women which neutralised the tax system would have the effect of making two income families relatively worse off than one income families.

No woman MP was in the chamber during the discus- sion on the need for fairer treatment of women taxpayers.

When Sir Geoffrey Howe, shadow Chancellor, drew atten- tion to this, Mr. Joel Barnett, Chief Secretary to the Treasury, explained that Dr. Oonagh McDonald (Lab, Thur- rock), his Parliamentary Private-Secretary, was attend- ing a Select Committee in another part of the building and had asked him to apologise for her absence.

Mr. Barnett said that the Equal Opportunities Commission recognised the major difficulties involved in changing the system of aggregation which had been part of the tax law since 1806.

He pointed out that it was because of the aggregation principle that tax relief in respect of mortgage interest was credited to the husband, even in cases where mortgage repay- ments were regularly made by the wife. In such cases, wives could only be directly credited with the tax relief due to them with the agreement of their husbands.

Mr. Barnett hoped that as a result of consultations with the Commission and other bodies, the Government would be able to move forward "as quickly as possible" with further changes in the tax law.

But tht new clause would at least remove one major source of complaint by married women that income tax repayments had frequently been made to husbands, who had earlier deserted their wives.

The Chief Secretary expressed surprise that more women had not taken advantage of the opportunity to claim separate assessment for income tax and announced that a leaflet calling attention to this option would be issued towards the end of the year.

He made it clear that the new clause did not apply to cases where wives had professional or business income under Schedule D nor to cases where there was liability to higher rate tax of a total joint income of the couple.

Approval was given to a new clause clarifying the circum- stances in which companies are allowed to claim deductions under the Schedule D rules in respect of money spent on the introduction of approved profit- sharing schemes.

The House also accepted an amendment fulfilling Govern- ment undertakings at the com- mittee stage by ensuring that controlling companies can extend approved profit-sharing schemes to all or any of their subsidiaries.

National Liberal Club plan examined

By Rupert Cornwell, Lobby Staff

MEMBERS OF the National Liberal Club were expected last night to approve a £400,000 plan to repair and renovate the famous Whitehall Place land- mark—and save the club from otherwise virtually certain extinction.

The scheme, spearheaded by Mr. Lawrence Robson, husband of Baroness Robson, the Liberal peer, *will, it is hoped, put an* end to the troubles which have beleaguered the club, culminat- ing two years ago in the spell of management by Mr. George de Chabris, whose behaviour upset many in the party.

Mr. Robson is ready to put up £100,000 if this sum is matched by subscriptions from other members. The trustees have promised a further £60,000, while the more profitable run- ning of the club should cover the remainder.

That the plan is adopted is of vital importance to the party, which, for more than 18 months, has been using the building for office space. But the club has been in the grip of the same problem which has afflicted others in London: diminishing membership, leading to rising subscriptions, which, in turn, reduce membership still further.

It is estimated that up to £180,000 is required for immediate repairs and well over £200,000 for the completion of interior renovation already under way.

Part of the difficulty facing the club resides in the very splendour of its architecture, which has earned it protection orders that do not allow the management to make the changes it might have preferred.

MPs fix gaze firmly on autumn election

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MPs SEEMED to cast aside any doubts about the pos- sibility of an autumn election when Prime Minister's ques- tion time was completely taken up yesterday with vote- catching sallies from both sides of the House.

At one stage Mr. Callaghan made a teasing attempt to cure these early symptoms of pre- election fever by observing "As to when we leave office, that will be a long time yet."

But nobody took him seriously and the blatant huck- stering continued. Amid the welter of accusations and countercharges, a sketchy out- line began to emerge of the shape which the campaign might take.

The Tories blamed Labour for record unemployment and tried to undermine Mr. Callaghan's claim that inflation is now under control.

Spearheading the attack, Mrs. Margaret Thatcher, the Conservative leader, tried to trap the Prime Minister into admitting that the return of a Labour Government would mean further nationalisation.

With the help of well-timed prompting from his supporters, Mr. Callaghan hit back by alleging that a Tory Govern- ment would introduce policies that would lead to even higher unemployment.

He also tried to chill the blood of the voters with sug- gestions that the Conserva- tives would introduce charges for operations and other treatment under the National Health Service.

Apparently he was quite happy at the Tory decision to single him out for personal attack. He tried to sting Mr. Heath into action by blaming the increase in food prices on the former Tory Prime Minis- ter's decision to enter the Common Market, but Mr. Heath refused to be drawn.

So Mr. Callaghan turned his attention to Mr. William White- law, the deputy Conservative leader, who launched the Tory campaign against the Prime Minister with a weekend speech in which he described him as "a weak leader at moments of decision and a very petulant personality under pressure."

The Prime Minister recalled that Mr. Denis Healey, Chan- cellor of the Exchequer, had said that being criticised by Sir Geoffrey Howe, shadow Chancellor, was like being savaged by a dead sheep.

For his part, Mr. Callaghan thought that being mauled by Mr. Whitelaw was more like being "muzzled by a friendly old sheep dog."

During the exchanges, it was noticeable that Labour MPs with highly marginal seats were quick to point out how much the Government had done for voters in their constituencies.

Mrs. Helene Hayman (Wel- wyn and Hatfield), majority 520, stressed how delighted workers in her constituency were at the employment pros- pects afforded them by the Government's decision to go ahead with the HS 146 airliner.

Mr. Callaghan readily agreed with these sentiments.

Mrs. Thatcher reminded the Prime Minister that the latest public opinion poll showed that 80 per cent of people did not want any further nationalisation and this included a majority of Labour Party supporters. Why then did he retain the commitment to expensive schemes of *further nationalisation* of entire industries?

Mr. Callaghan blandly replied that he was not unaware of this feeling and that was why he believed that the National Enterprise Board had such a large part to play. He was glad to see that the Conservative Party had come to its senses and no longer proposed to abolish the NEB.

The Tory leader protested that this did not answer her point about nationalisation. But Mr. Callaghan responded by recalling that the previous Tory Government had found it necessary to nationalise Rolls- Royce. This proved that even the Tories had recognised the reality of the situation.

The Labour Government would continue to do the same and would solve such prob- lems either through the NEB or through public ownership.

Mr. Callaghan also suggested that if a future Conservative administration was faced with a situation like Govan Ship- builders or Rolls-Royce "they will overcome their prejudice against nationalisation as they did last time."

Borrowing limits for BSC approved

THE IRON and Steel (Amend- ment) Bill, which increases the borrowing limits of the British Steel Corporation, was given an unopposed second reading in the Lords yesterday.

The Bill increases to £4.75bn the statutory limit imposed on the borrowing of the BSC and its wholly-owned subsidiaries.

It also provides that the borrowing limit may be further increased to £5.5bn by order of the Secretary of State with the consent of the Treasury and Parliamentary approval.

For the Government Lord McCluskey said: "We need this Bill to carry out the Govern- ment's commitment to retain in Britain a substantial bulk steel- making capacity to underpin our wider industrial strategy."

In the face of intense foreign competition, it was planned that the BSC should concentrate on improving steel quality and productivity.

Schemes involving sums under £2m would play an important part in cost reduction but there would be a need for yet further rationalisation, said Lord McCluskey.

"The Government is agreed that the Corporation should seek to negotiate terms for the early closure of high-cost plants with the TUC steel committee and with the local work forces concerned."

Lord McCluskey said it was un- acceptable for a nationalised in- dustry to make losses of the steel industry—even if conditions were difficult and international competition intense.

He looked forward to a break- even situaion bein gachieved by the projected date of March, 1980.

For the Opposition, Viscount Long said an enormous amount of money had been injected into the steel industry as a whole.

"The fact remains that unless we do this now the whole of in- dustry could possibly collapse be- cause all our industry bases its materials and its workings on the steel industry," he stated.

Bipartisan approach under strain—Davies

FINANCIAL TIMES REPORTER

R. JOHN DAVIES, shadow reign Secretary, warned sterday that the bipartisan proach of the British political rties towards Rhodesia will me to an end unless the Labour vernment changes its attitude wards the internal settlement that country.

Mr. Davies also suggested that traditional bipartisan proach to foreign affairs in neral, was coming under vere strain. "There is now more distinctive character to ry foreign policy than for a ng time past. Bipartisanship not easily preserved in today's nditions," he said.

The single most important tor was what he called "the ict confrontation" and its dency to exacerbate. Having hieved strategic parity, the viet Union was now trying to d ways of undermining stern values and Western ncepts throughout the world.

The Western response, Mr. Davies said, should be based on the possibility of matching the central direction of Soviet policies in all respects. Western countries, for example, were ready to supply the Soviet Union with wheat or to compete among themselves in the granting of credits. Such acts might look rational enough in isolation, but they failed to fit in with an overall defence strategy. The Soviet Union, he implied, would never make that kind of mistake.

While it was not practical to react by turning NATO into a worldwide defence mechanism, Mr. Davies said that the alliance at least needed to give more consideration to the impact of events outside the treaty area on its own cohesion.

Echoing Mrs. Margaret Thatcher, the Tory leader, in a speech in Brussels last month, he said that the European Com- munity should be more aware of th epolitical effects of its actions. The Community was a commer- cial organisation of unquestioned world-wide importance, but its political importance was minimal.

Mr. Davies laid special stress on the interdependence of Europe and Africa. The latter Continent, he said, was going through a dreadful crisis which would be bound to have an effect on Europe in due course.

There was, he suggested, an absolute need for Africa to have a continued presence of a very large number of Europeans for a long time to come. The Com- munity should be aware of this, but there might also be a mutual attitude developed between Britain and France.

On Rhodesia, from where he returned at the weekend, Mr. Davies said that the British Gov- ernment should seek to support the purpose of the internal settle- ment — namely to hold elections before the end of this year.

Although it was necessary to try to bring the two sides together, the Government's plan to hold an all-party conference was "the best recipe for chaos that I can imagine." The proper approach was a very intensive, behind-the- scenes effort at reconciliation.

Mr. Davies did not specify how this might differ from the diplomacy currently being under- taken by senior U.S. and UK officials. But, in reply to a ques- tion, he declared that unless the Government changed its policy in the way he had indicated, the bipartisan approach would come to an end. He also thought it unlikely that the Tory Party would vote for a re-enactment of sanctions in November if a Rhodesian election were in the offing.

Mr. Davies was addressing the Royal Institute of International Affairs on Conservative foreign policy.

Right-wing Tory voices fear over Heath return

BY RUPERT CORNWELL

RIGHT-WING fears over Mr. Heath's trumpeted return to the Tory fold surfaced with a vengeance last night. A senior official of the Selsdon group of Conservatives accused the party of "wandering down a blind alley" in its joyful reception for the former leader.

The attack came from Mr. Stephen Eyres, prospective Parliamentary candidate for Walthamstow and secretary of the pressure group, whose vice- presidents include two promin- ent right-wing MPs, Mr. Nicholas Ridley and Mr. Ronald Bell.

Underlying the remarks is the fear that the party in welcoming back Mr. Heath may have paid too high a price, particularly if the "reconciliation" comes to signify a weakening of the Thatcherites' commitment to the free market and limited govern- ment.

Central Office, however, is busily pushing ahead its prepara- tions for the party to show as united a front as possible for the forthcoming campaign.

It is understood that, in addition to the detailed speaking programmes allotted to members of the shadow Cabinet, similar schedules are being made ready not only for Mr. Heath but also for Mr. Peter Walker, his erst- while lieutenant

Mr. Walker, who seems likely to be offered an important post in a future Thatcher Govern- ment, has also proved one of the most effective Conservative speakers against the policies of the present Government.

In Ewell, last night, Mr. Eyres left no doubt that as far as he was concerned, Mr. Heath's presence might very well do more harm than good, if he did not modify his views to fit in with the shift in the party over the past three years.

The former leader's gesture was to be welcomed, he agreed, but then pointedly warned local Young Conservatives: "If every utterance of Mrs. Thatcher now has to be double-checked to ensure that it does not offend Mr. Heath, we are in for a very bad time indeed.

"Were his words last week a benediction for her — or an absolution? Was he really giving his blessing to the monetarist, free market immigration con- trolling Conservatism of Mrs. Thatcher?

"Or were they an absolution of an infallible former Prime Minister—the penance being the acceptance of his absolute right- ness over industrial subsidies, incomes policies, money supply, and, say local government reorganisation?" asked Mr. Eyres.

Schmidt studies fishing problem

THE German Chancellor, Helmut Schmidt, has promised to try to find a solution to the UK's fishing problems during the term of his presidency of the EEC between now and December, Mr. James Callaghan, Prime Minister, assured the Commons yesterday.

Mr. Hamish Watt (SNP Banff) had called for a Minister of Marine Affairs to look after fish- ing, oil and shipping.

This idea was turned down by Mr. Callaghan who thought the functions were too different to be reconciled in one ministry. There was already a minister respon- sible for co-ordinating the work of existing ministries dealing with these matters, he declared.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Stress pattern made visible

PATENT protection has been sought by Sira Institute on an instrument and a method intended to measure stresses in the materials of a complex structure subjected to dynamic loading. It was developed under contract from the Admiralty Surface Weapons Establishment, Portsmouth.

Operational method is based on a new measuring technique developed at Sira and called SPATE, for Stress Pattern Analysis by Thermal Emission.

The research group which devised the equipment sees a natural outlet for it in structural design where architects and engineers have an urgent need to know how stresses are distributed throughout a piece of equipment, a building, a bridge, etc.

SPATE is based on the observation that, like gases, solids subjected to compression or expansion in steady-state conditions with no heat loss or gain to the system, tend to heat up or cool down.

Unlike gases, solids will exhibit stress patterns in which the pressures vary from point to point and thus the temperatures.

It is this change of temperature that has been closely studied and demonstrated to be dependent on stress levels at each point.

The Sira instrument operates remotely to detect these temperature patterns by infra-red detectors and presents an immediate visual display of stress distributions over a selected viewing area of the structure under study. High stress points are immediately located and resolution and sensitivity are comparable with the results obtained through strain gauge analysis.

Ease of use is a major quality of the equipment on which more information can be obtained from Sira Institute at South Hill, Chislehurst, Kent BR7 5EH. 01-467 2636.

● DATA PROCESSING

Performance shown on a big screen

INSTALLED AT Univac's London Benchmark Centre to give performance assurance to intending purchasers of 1100 series computers, a new monitoring system from the company displays all the critical operating variables in colour on a pair of 4 ft x 3 ft projection "television" screens.

Known as PDS—"performance display system"—the equipment obtains its data from 300 high impedance probes hooked on the backplane on the 1100. These are connected to a data monitoring module which performs a multiplicity of timing and counting tasks and also monitors all the exchanges between central processor and memory. In addition, some seven aspects of software operation are monitored together with six status parameters and the input output activity on 24 channels.

A distributed communications processor converts the resource counts into percentage utilisations figures so that, in conjunction with a display generator both program and operations parameters can be shown in graph form as a percentage of available resources.

For example, the activity of various groups of disc drives can be plotted against time as a percentage of the maximum possible disc input/output. Or, the percentage of processor resources allocated to the 1100 executive could be plotted at the same time as that allocated to user routines. A running average is shown beside the graph, and at any time hard copy of what is on the screen can be printed. Tape systems also can be monitored.

Two separate sets of accumulated data are maintained: one, the "total history mode" is the complete data from the start of the monitoring period; the second, with the variable time scale, can be set for a period of two to ten minutes. Since everything is kept on tape, retrospective re-runs can be carried out.

The London installation—there is only one other, in the U.S.—has cost about £300,000. Univac says that it will be making the equipment available to existing users of 1100 machines at a price in the region of £120,000.

More from the company at 65 Holborn Viaduct, London EC1P 1AB (01-236 1010).

● PACKAGING

Cushioned in foam

A NEW grade of polyurethane foam-in-situ protective packaging has been introduced in the UK by Sealed Air International Corporation, Telford Way, Kettering, Northants.

Developed to suit a wide variety of applications, including transit packaging operations, as well as on-line moulding of foam fitments, Instapak 40 has lightweight and semi-rigid properties and is said significantly to reduce shipping costs, cut material costs, reduce risk of product damage and considerably save on storage space in its liquid state.

It is suggested as a viable replacement for more traditional protective packaging materials such as wood, corrugated fibreboard, polyethylene foam and moulded polystyrene.

● ELECTRONICS

Putting its chips on the table

SINCE NOVEMBER 1976, Crellon Electronics (the result of a marriage between ECS and GDS) has traded at Slough, Berks, which premises housed all departments of the company, including the IBM System 3 computer system, and Crellon Microsystems, a division created to meet the needs of customers in understanding the new microprocessor technology.

Financial difficulties encountered by Superlamp, one of the companies within Crellon Holdings (which, ironically, occurred with the installation of a non-performing computer system in autumn 1977) necessitated the transfer of some of Crellon Electronics' own resources during that period to assist Superlamp.

Now, an injection of capital (£1m) from a group of U.S. businessmen, plus a further £½m of working capital from a rights issue to the existing shareholders, has stabilised the situation.

Because of the apparent general lack of expertise and knowledge of new technology among customers, the company decided there was a need for a microsystems consultancy which would not only sell, and answer telephone enquiries on microprocessors, but would also generally assist customers in understanding and applying microprocessors. Thus, Crellon Electronics' Microsystems Division was set up, in 1977, to fill this communications gap.

Since then, the division has been actively involved in producing microprocessor-based systems for customers' applications and designs of both industrial and consumer-oriented products; designed and built prototypes; and manufacturer microcomputer systems in large volume. Many systems have been designed for companies outside the electronics field, in particular heavy industry.

The company now boasts customers such as the Ministry of Defence, BAC, Racal, and several companies abroad including the Hong Kong Post Office.

The division will design systems for all types of applications from the simplest to the most sophisticated, based on a selection of microprocessors, such as the Motorola 6800, General Instrument PIC 1650, CMOS devices such as RCA Cosmac and Harris 6100, the TI TIMS 10 second-sourced by Motorola, and also the AMD 2900, again second-sourced by Motorola.

The team of nine systems engineers, two technicians and administrative personnel is said by the company to offer a level of technical support unsurpassed in the distribution industry, so much so, that its expertise and certain future expansion has already outgrown the Slough premises and a move to its new home at Reading will shortly follow.

● SAFETY

Senses loss of coolant

WARNING OF coolant flow failure in inboard marine diesel or petrol engines can be provided relatively cheaply with a device put on the market by Sensors and Systems of Melbourne, Derby.

The unit will be welcomed by both small boat owners and those who hire boats for holidays, since the damage that can result from an overheated engine—usually a cracked cylinder block—can be perhaps the costliest of all.

Contained in a small "T" piece that can be inserted into the coolant intake, the unit consists of a detection circuit and a thermistor that is heated by a small current. Flow of coolant past the sensor tip cools it, with a consequent reduction of temperature. But if the coolant flow decreases or stops the tip temperature rises to the point where the detection circuit operates a solid state switch which in turn sounds an alarm.

More from the company at High Street, Melbourne, Derby, DE7 1GJ (03316 2228).

● GRAPHICS

Transfers a clear message

DIAGRAMS, WORDS and designs can be impressed on to paper, metal, plastics, wood or glass by means of a dry transfer material now being marketed by Presletta, Rufford Road, Crossens, Southport PR9 8LE (0704 27577).

Sheets of the material are custom-made and can include words, phrases, numerals and they would probably have many uses in offices. Reproduction is achieved by simply rubbing over the letters or words required.

Business guise for micro

ZILOG, front runner in the microcomputer stakes through its up to the minute production centres, is also branching out into the applications market and has just announced a first product in which the micro is only one component, albeit an important one.

The company's new MCZ 1/60—built around the existing Z-80 micro and high capacity memory chips — includes a display and keyboard and dual floppy disc in a single desk arrangement, with desk-top disc drives if required.

Four high-level languages are supported and the unit is suitable for many business applications, from payroll to mortgage loan control. Zilog is a wholly-owned subsidiary of the giant Exxon Corp.

It operates from Nicholson House, Maidenhead, Berks, SL6 1LD. 0628 36131.

● COMPONENTS

Industrial encoder

MEDIUM-RESOLUTION optical shaft encoder equipment specifically developed for the industrial and instrument markets has been introduced.

Ferranti Model 24 has a stainless steel shaft carried on ball-bearings and a stainless steel protective can. A tough optical plastic disc is used in preference to glass, for increased resistance to shock. A powerful output drive stage gives a high degree of immunity to noise.

Counting range extends between 200 and 635 lines per revolution. Operation at up to 10,000 rpm is specified for normal life application.

Industrial Products Dept., Thornybank Trading Estate, Dalkeith. 031-663 2821.

● MATERIALS

Door trims made fast

DESIGNED AND built by Radyne, a new type of automatic plastic welder has been set up at the Chrysler factory at Dunstable in the new trim plant where it is turning out a full set of door trims for the Alpine in 100 seconds. It is expected that the equipment will speed up to some 800 sets of four trims each per week to meet the growing demand for the Alpine from the UK and U.S. markets.

Design of the Radyne unit is rotary and pneumatically operated. Linear motors drive the turntable carrying the four electrodes, one for each door, beneath the high-frequency press.

The two-part design of the electrodes permits two different weld operations to be carried out at each pass.

Disc brakes are used for emergency stops and a pre-charged air bottle can take over and apply these brakes in case of pneumatic failure.

Power source used is the company's 30 kW RF generator.

Revolving in synchronism with the turntable is a four-station materials dispenser, and the four components making up the trim for each door are presented to the operator as the appropriate electrode arrives.

Three remote-control units, which can be used together or individually are arranged around the turntable and positioned so that the operator must turn away from the table to start or stop the machine—an added safety factor.

Further information on this new piece of equipment from Radyne, Molly Millars Lane, Wokingham, Berks. RG11 2PX. 0734 783333.

French fibre optic move

MAKERS OF low loss optical fibres in France, the Fort fibre optics company, has decided to set up a UK presence to serve both the British and American markets, with the possibility of manufacture in Britain within 18 months or so.

The company holds patents on methods of drawing fibres which will transmit signals with very low attenuation.

Development is under a licence from a Government organisation—CNET—and Fort has produced a series of monofilament and bundle fibres to meet requirements running from lighting and endoscope applications, to aircraft signal uses.

The French company is also making fibre for long-range data transmission in various forms, offering extremely high reliability factors.

Further details from Optronic Fort, Cambridge Science Park, Milton Road, Cambridge CB4 4BH. 0223 870332.

Trace is easily seen

OFFERED BY Tektronix is the model 624 display monitor, convenient and easy to use in conjunction with electronic instrumentation systems, medical diagnostic equipment and as the display for measured mechanical quantities.

The trace is easily seen in ambient room lighting and a 0.012 in spot size ensures crisp detail over a wide range of brightness levels. The 100 x 120 mm viewing area matches well with the standard formats of available instrument cameras and films.

Options that will help the user to fit his 624 to the specific application include a time base, a remote program connector for x, y and z, differential inputs, and an extended gain range.

Operation from an unregulated 17 volt to 28 volt DC source is available for OEM applications where this is preferable to the standard AC supply. Also, other phosphors instead of the standard P31 can be supplied.

More from PO Box 69, Harpenden, Herts (Harpenden 63141).

● INSTRUMENTS

Easier test of integrity

WITH MANY high-technology systems, commercial performance is governed not by original design parameters but by the quality and integrity of the non-destructive testing techniques used during manufacture.

Where such techniques are to be applied, it is customary to use at least two separate and independent methods before drawing a final conclusion. One such method, based on generating and detecting eddy currents in the workpiece has been widely assessed but found difficult to interpret, particularly in a sample of complex construction.

Joint work between Systems and Instrumentation and the UK AEA on eddy current integrity tests of tube welds has taken the project to protype stage. Already this has fulfilled the original target and shows great potential for wider application to weld assessment, developers say.

Frequently eddy current signals produced in scanning a given weld have been described as too noisy for the technique to be usable. However, a specialised eddy current probe head has been developed which uses two sensors and compares different parts of the same or similar welds in a bridge circuit. This technique enables the unwanted noise and the required signals to be easily discriminated.

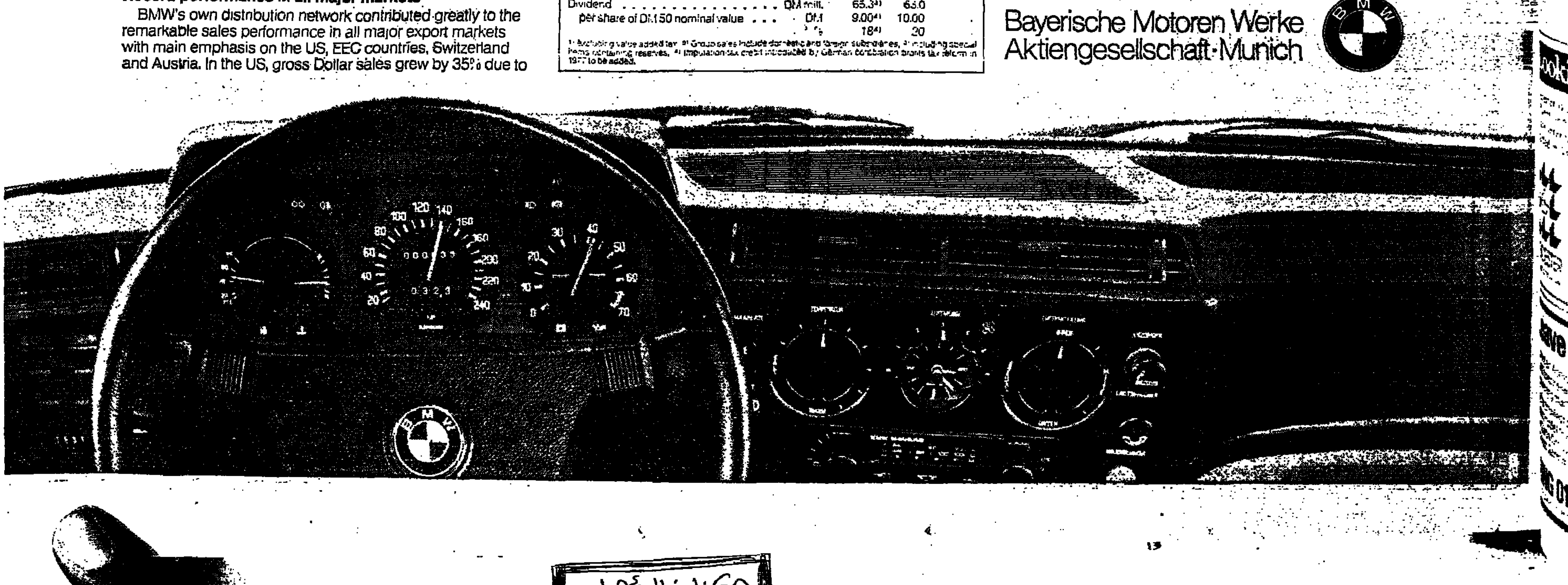
Basic instrument used is Automation Industries EM 3300, a phase-sensing eddy current test set with a cathode ray tube vector loop display. The problem was to convert the information in the display relating to the weld and the state of the parent metal around the heat affected zone, into a form which could be interpreted more reliably. Development work has produced a second display unit which relates the scan position of the probe in the tube weld to the signals indicating possible fault zones. This information is displayed in parallel to that provided by the EM 3300 so that it is easy to correlate the position and magnitude of a defect signal with a particular feature of the vector loop display.

Systems and Instrumentation, 31 Bridge Street, Pershore, Worcs WR10 1AJ. 03865 3317.

IN BRIEF

● A large polycarbonate film capacitor is being manufactured by MFD Capacitors of Penley, Wrexham, Clwyd (097873 351) able to handle 6,000 amps for about one microsecond.

● AMI Microsystems has introduced a version of the S6800 microprocessor which is able to operate over a range of temperature from −40 to +85 deg C. More from 108A Commercial Road, Swindon (0793 31345).



The Management Page

EDITED BY CHRISTOPHER LORENZ

How to protect your new product from piracy

BY CHRISTOPHER LORENZ

[TH]E DESIGNER and manufac[tur]ers of a simple, low-techno[log]y British consumer product [wh]ich is on sale for little over [...] have so far applied for [ab]out 200 patents round the [wo]rld, and have brought 19 [ca]ses of alleged infringement. [Th]eir legal actions have been [su]ccessful in Europe, the United [St]ates and Japan, but the com[bin]ed cost of patenting and [co]urt action has exceeded [...]00,000 in just over six years.

These are just some of the [de]sign protection problems [ex]perienced by Ron Hickman, [fat]her of the extraordinarily [su]ccessful WORKMATE work[be]nch, and Black and Decker, [wh]ich bought exclusive manu[fac]turing and marketing rights [ju]st over five years ago—having [pr]eviously refused to do so. In [...] years the original design has [sp]awned 13 variants, of which [ov]er 2m units are expected to [be] sold this year alone.

At first sight, the apparently [ob]vious lessons to both [de]signers and manufacturers [wh]o come up with bright new [id]eas might be to slap in as [ma]ny patent applications as fast [as] they can, and fight potential [pl]agiarists to the death.

Not only that, the WORK[M]ATE story shows the need to [co]ntinue to innovate. In the [wo]rds of Dan Johnston, the [au]thor of a book published this [we]ek which describes the [W]ORKMATE saga, "Once [de]sign leadership has been [ac]hieved, it can never be main[tai]ned by defensive measures [al]one. Leadership in design... [me]ans keeping one jump ahead [of] the others."

But is it always sensible to [go] hell-for-leather for a mass [of] all-embracing patents? In [ad]dition to their complaints [ab]out the cost and time [inv]olved in the patenting pro[ces]s, some designers and manu[fac]turers argue that the pub[lic]ation process insisted upon [by] the authorities as part of [pat]enting gives the game away [un]necessarily early to one's [com]petitors, who then have [tim]e to make a few design [cha]nges—which may constitute [im]provements—and get rapidly [in]to the market with their own [ver]sion of the product.

[N]ot entirely on purpose, Ron [Hic]kman may have struck the [ide]al mien in the early life [of] his invention. The book, ["D]esign Protection," published [by] the Design Council, recalls [ho]w he spent six years evolving [his] idea into a potential pro[duc]t before he applied for four [pat]ents in 1968—having to wait [a] further four years till they [we]re granted.

In the meantime, he had failed to interest any of the big names in the British tool and do-it-yourself industry (including Black and Decker). So he formed his own company to manufacture the Workmate. Between 1970 and 1972 he developed a Mark II design and applied for further patents. His success in the market place brought back to him the manufacturers who had previously rejected his product as "not commercially viable;" Black and Decker eventually won the race for licences.

What would have happened if the big companies had taken up Hickman's idea when he first put it forward? First, and most obviously, he might have wrung out of them a less attractive licensing agreement than he eventually secured, at a time when the product's marketability had been thoroughly proven. (The money-spinning deal with Black and Decker amply rewarded the hard grind and individual risk of his earlier, independent years.)

Double quick

Secondly, it is arguable that, if one of the big names had taken up Hickman's idea in 1968, its competitors would have realised its potential and rushed a similar product on to the market in double-quick time. As it was, Hickman's original patent applications were well advanced by the time Black and Decker and the others were beginning to notice his commercial success.

Hickman's approach is obviously not applicable to every new product in every sector of industry. Many designers and manufacturers of electronics have virtually given up patenting altogether, so fast is the pace of innovation in their industry, and so rapid the diffusion of know-how. But, by a combination of judgment and luck, Hickman does seem to have struck the right approach to protecting the design of his brainchild.

Dan Johnston's book, timed to coincide with the implementation of the new British Patents Act, is intended to be a simple, non-legalistic guide to the complex problems of protecting new designs — by patents, design registration, design copyright, and other means. It will therefore be of particular interest to small and medium-sized companies, whose new-found Government champion, Mr. Harold Lever, was rolled out by the Design Council to launch the book with maximum publicity.

Mr. Lever was treated to a blistering attack on the usefulness of patents and design registration (though not design copyright) by Mr Leslie Julius, of Hille International, makers of a *trail-blazing plastic chair.* Fifteen years after its introduction, it is still selling worldwide at the rate of a million units a year.

Mr. Julius, who claims that the chair's design has been copied by about 50 "plagiarists" in different countries, argues that Britain's design registration system gives "nil" protection, and patents very little, thanks to the ease with which plagiarists can get round the law by altering a small part of the design.

The most graphic illustration in the book of the difference—and overlap — between the various instruments by which manufacturers and designers can protect their interests in Britain is contained in just half a page, under a picture of the Hotpoint "Liberator De Luxe" washing machine, from GEC.

The machine is covered by 11 patents, on various of its features — Mr. Johnston studiously lists their numbers—with a further two applications pending. The overall appearance of the design is protected by a registered design number. The company name Hotpoint is registered as a trade mark, in both block capitals and script form. The names "Liberator" and "Reversomatic," which apply to this particular machine, are also registered as trade marks.

Despite its value in distinguishing between the various forms of design protection, the book's extreme brevity (barely 120 pages) leaves it unclear on several key issues. For example, exactly when during the patenting procedure do the UK authorities publish the details of an application, for all the world — including potential competitors—to read?

Mr. Johnston is also rather short on advice to his readers at several points. One instance is that he does not get completely to grips with the likely impact on employer/employee relations of the new Patent Act, which is more favourable to an employee-inventor than was the previous legislation. Many employers are concerned about the effect of these changes, as was reported on this page on June 5.

The author is canny enough to include a few words on how to get round someone else's invention—"design around," as he politely puts it—but he is sadly short on handy ways through the maze of international legislation on design protection which he describes so well.

All the same, he gives ample indication of other sources of advice, distinguishing between the roles of patent agents and lawyers, for example.

Apart from the practical, day-to-day use for those engaged in design warfare, the book illuminates the thinking behind much of Britain's legislation on design protection. Most intriguing of all, as an indication of the way government, industry and designers themselves have tended to underrate the importance of engineering design, is Mr. Johnston's quote from the Registered Designs Act, which separates "designs" from inventions and from patent law by emphasising appearance as distinct from constructional or functional qualities.

This is only one example of the way UK design protection laws, with the exception of patent legislation, generally define design and "appearance." It leads the author himself into the statement that "patents do *not* relate to design in the sense that design is the formulation of a product from an appearance point of view—the working-out of a visual solution to an idea for a product."

Thus the law on design protection reinforces the design fraternity's traditional preoccupation with appearance—a preoccupation which is partly to blame for the poor overall design of many British industrial products, in terms of their reliability, manufacturability, maintainability, or commercial viability.

Rather than just a question of semantics, this is a crucial point for Britain's "industrial strategy," whether at national or company level. It is no good for the Prime Minister or the company chairman to preach the importance of good product design to their underlings if everyone thinks they are talking about appearances, rather than everything from the durability of a product's nuts and bolts, through its ease of manufacture, to the colours in which it is painted.

In his chapter on international trends, Dan Johnston explains how there have been attempts for many years to co-ordinate different countries' protection for inventions and designs.

He also explains that only Italy, Belgium and Luxembourg of the EEC countries have simple patent registration systems—patents being granted without examination and search. But he reports the Commission's view that industry in those countries "is placed at a disadvantage vis-à-vis large foreign firms which own a large number of unexamined patents..."

Perhaps the neatest illustration of differences in national legislation concerns British Rail's famous symbol. It is not registrable as a trademark in the UK because it is used in relation to services rather than goods. But France, whose ports regularly accommodate British Rail ships, has a system which does cater for "service marks." So the BR symbol is registered across the Channel.

The Workmate—Black and Decker's best-selling portable workbench.

Microprocessors: it's even worse than we thought

A MOST alarming indication of the future competitiveness of British manufactured products has just emerged from the Department of Industry. By rights, it should instil panic in many a managerial — and shareholder's — mind.

Last week's announcement of a £15m government scheme to *encourage industry to use micro*processors was accompanied by evidence that the vast majority of British manufacturers are doing nothing whatever to assess how microprocessors could improve their products.

Yet for many of them, this radical innovation may soon revolutionise their business, almost regardless of what type of products they produce. If ever there was depressing news about the future of British product design, then this is it.

On the basis of three very wide-ranging surveys of opinions and intentions in manufacturing industry, the DoI has concluded that only half of industry understands how microelectronics can be used to update its products or automate its production lines. Of the 50 per cent "in the know," only a tiny 5 per cent have taken any action.

Take just the tip of the iceberg, an example from one of the surveys. One firm replied, "Yes, we know all about microprocessors — and there will be one in our very next product." But a direct competitor, in exactly the same field, said "we cannot see any reason to bother about it."

The Government's readiness to expand the new Microelectronics Application Project later in the year, injecting still more money, reflects a view that, unless something drastic is done, many British companies will only realise the significance of the microprocessor to their products when they see it in their competitors' shop window — by which time it will be at least two years too late, given the time it takes to adapt a product, let alone design its successor.

The point about microelectronics, long since realised by most Japanese, and many European and American manufacturers, is that anything with levers, springs and spindles in it is a natural for updating — or replacement — with electronics, particularly in the control functions.

This puts the enormous field of mechanical engineering in the forefront of the attack — but Britain's mechanical engineering companies come out particularly badly from the "awareness research" of the DoI (some of which was supplied by the EEC Commission and UK trade associations, with the government's various research institutes also playing a part).

Perhaps the most depressing thing of all about the DoI's surveys emerges from between the lines. If so many companies are oblivious to such a well-publicised innovation as the microprocessor, then how many more developments must they be missing (or ignoring) which are less obvious and more mundane? Yet the success of the companies' existing and future products, and, in the final analysis, the life of the firms themselves may be at stake.

C.L.

[B]USINESS PROBLEMS

BY OUR LEGAL STAFF

[R]eclaiming [h]eating costs

[In] an article on the Taxation of [far]ming profits, I have read that [one]-third of the costs of heating [and] lighting the farmhouse are [allo]wable as charges against [pro]fits. I farm approximately 40 [acr]es and pay tax on the profits [but] have never actually claimed [for] these expenses. Do you think [I a]m entitled to claim these [exp]enses and if so can I make it [ret]rospective for the previous six [yea]rs?

[T]he answer is yes in principle, [but] you may have difficulty in [sec]uring relief for past years, [bec]ause of the strict conditions [imp]osed by section 33 of the [Tax]es Management Act 1970, [par]ticularly if your farm [acc]ounts have been prepared [pro]fessionally.

33.—(1) If any person who [has] paid tax charged under an [ass]essment alleges that the [ass]essment was excessive by [rea]son of some error or mistake [in] a return, he may by notice in [wri]ting at any time not later than [six] years after the end of the [yea]r of assessment, in which the [ass]essment was made, make a [clai]m to the Board for relief.

(2) On receiving the claim the Board shall inquire into the matter and shall, subject to the provisions of this section, give by way of repayment such relief (including, in the case of assessment to income tax at the standard rate, any consequential relief from surtax) in respect of the error or mistake as is reasonable and just:

Provided that no relief shall be given under this section in respect of an error or mistake as to the basis on which the liability of the claimant ought to have been computed where the return was in fact made on the basis or in accordance with the practice generally prevailing at the time when the return was made.

(3) In determining the claim the Board shall have regard to all the relevant circumstances of the case, and in particular shall consider whether the granting of relief would result in the exclusion from charge to tax of any part of the profits of the claimant, and for this purpose the Board may take into consideration the liability of the claimant and assessments made on him in respect of chargeable periods other than that to which the claim relates."

It might be best tactically to arrange to have a talk with the Tax Inspector, to explain the omission of the expenditure from the farm accounts.

A company's article

Is it possible to make it a condition of a private company's procedures that all decisions taken must be by unanimous agreement of the members, and that on the death of a member all interest and rights pass to his next of kin?

Both the provisions which you suggest may be inserted in the Articles of Association (which is the contract which governs the conduct of a company). However each has potential disadvantages, especially the unanimous decision provision. You should therefore obtain advice before setting up such articles. You will find advertisements for the services of company formation specialists in standard legal periodicals, for example, the Guardian Gazette or the Solicitors Journal.

★

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

LOMBARD

A bad way to raise taxes

BY SAMUEL BRITTAN

A FASHIONABLE slogan in many circles is the need to shift the tax burden from direct to indirect taxes. This is a theme song of which one hears a great deal when a Conservative Opposition is challenging a Labour Government before a general election—although Labour Chancellors have also flirted with the idea, but in the end shrunk back from doing anything about it.

Each time round I have expressed scepticism about this tax switch notion — as being either harmful or at best a time-wasting diversion of energies. It contributes nothing either towards shifting the balance from collective to individual decisions or to increase the role of market incentives in the economy.

The object of the present article is not so much to go over *old ground as to answer a* question put to me by the shadow Chancellor: Why am I prepared to face the upheaval involved in the Meade committee's proposal for an expenditure tax, while opposing the much simpler shift from income tax to indirect taxes preferred by the official Opposition?

Tax shift

Perhaps the instinctive answer is that columnists should always be the unofficial opposition, never the official one. But there is something more logical to say as well. A shift from income to conventional taxes on spending, such as VAT, or drink and tobacco duties, serves mainly to disguise the tax burden. The great advantage of the income tax or the employee's National Insurance contribution is that people are aware they are paying it. They can therefore make some rough and ready assessment of the cost of the public services, and thus form an idea of how much they want to pay for in this way.

By contrast a tax on goods in the shops is felt by the citizen only as one of the many influences on prices. To shoppers a rise in price due to higher VAT is in no way different to one brought about by higher costs of delivery or a shortage of the commodity in question. The fact that people pay tax without knowing it is often regarded as the great advantage of indirect taxes, but on the contrary it is their great disadvantage.

Indeed, if a Government wished to bring about a large and surreptitious increase in the share of state spending in the national income, there would be no better method than by engineering a shift to indirect tax, so that the public had no direct way of ascertaining the cost of government expenditure. It is extraordinary that the party officially opposed to excessive spending supports a tax structure which enables that spending to be concealed as much as possible. It is no accident that countries such as the Soviet Union have very low income tax rates and raise nearly all their revenue from turnover imposts.

A Meade-type Expenditure Tax is a very different animal to the present taxes on spending. The name "Expenditure Tax" conceals the fact that it would be paid over to the Inland Revenue very much like Income Tax and would not enter into the prices of goods in the shops at all.

Expenditure

Under an Expenditure Tax, people would be able to deduct from tax bills sums devoted to the purchase of approved assets such as houses, shares or the acquisition of business stock. On the other hand, the proceeds from the disposal of assets ("disaving") would be added to taxable income.

This correction apart, the new levy would be very much like the present income tax. As a practical measure the Meade Committee would confine the new system to the minority of Higher Rate tax payers. But the important point is that in contrast to VAT or Excise duties, the new tax would be apparent to those who paid it and not *disguised in the prices of goods* in the shops.

The obvious and trite point to be made against a Conservative-type *switch to indirect taxes* is that it would increase the retail price index—and one could argue until the cows come home about whether a one-shot rise of this kind is to be called "inflationary." But a much more important objection is the disguising of the true size of the tax bill.

There is still no need to be committed to an Expenditure Tax. If the anomalies and distortions diagnosed by the Meade Committee can be tackled some other way, well and good. My main point is that there is no inconsistency in accepting an Expenditure Tax if in the end the arguments point that way, while being opposed to a major shift from direct to indirect tax under the existing system.

Appeal of home grown vegetables

GARDENS TODAY

BY ROBIN LANE FOX

WHY DO GARDENERS have vegetable gardens? I do not ask this as if to wonder why we grow vegetables. That is obvious, although any of you must be *more successful with them than* I am. But a lady writes from Kent to ask for reasons why her vegetables could not go into a long herbaceous border which needs replanting and could do with some big clumps. Such is the price, nowadays, of any border plant and such is the time that the best of them take to grow into a clump that she is unwilling to go back to the beginning and buy six new Phloxes for every bare square yard. Would not beans be as pretty?

Indeed, they would, if you could put up with the gaps while they die back after cropping. More gardeners are trying to break the old division of flowers and vegetables, probably to save space and labour, partly to enjoy a border with an air of maturity at less of a price. Two or three, recently, have caught my attention. There are some new varieties of vegetable seed, too, which are especially well suited to this combination, though their marketers have thought up every slogan to push them along, except this, their value in a border.

The most impressive vegetable, in my view, is also best suited in a closely planted bed. If you have a walled and sheltered kitchen garden, the Globe Artichoke poses no problems. You can put it against a south wall and keep it safely through the winter. I am not so fortunate. The last five plants of the edible *Vert de Laon* variety which I had bought from John Scott, Merriott, Somerset, gave up in a cold and wet winter. They are no longer cheap, but those flower buds, 35p each wholesale and five times the price in a restaurant, are too good to miss.

It has long annoyed me that seedsman have not been able to sell a strain whose buds are not too prickly and variable to be worth eating. But there is a new one, just out, which is reported to live up to its blurb. Thompson and Morgan, London Road, Ipswich, will sell you a packet of their Artichoke *Grande Beurre* for 35p. Its buds are agreed to be soft, juicy and full of flesh, quite fit for the table.

Sow the seeds during the next three weeks, nine inches apart and half an inch deep. They come up quite easily and give you no trouble. Thin out, if necessary, and reckon that you will be picking your first buds next year. But be sure that you keep your young plants sheltered, straw being their traditional cover, from November till March. They are alleged to survive at "0 degrees F or less." I would believe this only if it happened three years running. Beware, too, of a badly drained soil. I have long found that these globe artichokes hate to be damp round their necks in winter. Wet is more lethal than frost, so dig gravel round them.

Armed, say, with the contents of two packets for a special 67p price, imagine how well they would suit your flower-borders. The Globe Artichoke is a noble plant, four to six feet high. Its leaves, like a big thistle's, are ragged, but a frosted grey-green. The flower stems are bolder than an ornamental Onopordon's. Buds which you do not eat will flower mauve-blue, like a Cardoon thistle, their close relation. True, they die back and look sad later in the year. The grey could be brighter and the leaf neater, but they give a quick shape to a border even if you eat their buds. Grande Beurre is a cheap and welcome way in.

I have seen a fine border broken up with clumps of these Globe Artichokes and centred on Old Fashioned Roses, with which their grey leaves go so well. Big bushes of the dark red Gypsy Boy, striped Ferdinand Pichard and the tough pink Sarah van Fleet were massed among wide clumps of Broad Beans, runner beans for later, the pretty red-purple flowers of Asparagus Peas and a mixed edging of Parsley and Pinks. What about the black fly which land invariably on Broad Beans? It was seen off by a companion group of Summer Savoury, or *Satureia*, the mauve-flowered summer herb. It is not just an old wives' tale that this herb keeps the fly off broad beans. Many gardeners swear by it, and I notice that Thompson and Morgan refer the trick to "Dutch growers."

It works, anyway. If you sow a few bushes of Savoury between rows. Without it, Broad Beans are a nuisance in a border as they bring their own pests with them and have to be sprayed.

Free of black fly, they are obviously a pretty group. The grey green leaf and smart black and white flower would be prized in most flower gardens. Massed among early blue Anchusas, the fine big Catmint called Six Hills Giant, double white Paeony Kelway's Glorious and a drift of primrose-yellow Iris, they struck me last week as an ingenious filling for a border which had missed out on early annuals. You can sow the hardy Bean *Aquadulce Claudia* in early September and reckon *that it has an 80 per cent chance* of standing the winter. It then flowers in those awkward weeks between the daffodils and the full flush of roses.

Lastly, you could have some fun in the front row with the new sorts of Chicory. They are no longer a bitter alternative to lettuces which have to be earthed up. The new Snowflake can be grown just like a lettuce, sown thinly and kept damp, will be giving you big white heads, some two pounds in weight, after a more three months. It is crisp, bigger than you ever imagined and almost fool-proof. Sow it very thinly any time now. Thin to a foot apart, and when you see the firm big white heads setting, without any need to earth up or blanch, you will see why this, too, is a vegetable which could make a bold and pleasant mark along in with an autumn border of front-row flowers. A very useful new arrival.

Hatched is the one to catch in the Duke of Cambridge

RACING

BY DOMINIC WIGAN

MR. CARLO D'ALESSIO'S Hatched, who created such a fine impression when drawing clear of the opposition to put five lengths between himself and runner-up Heroic in a maiden event at Sandown last month, will surely be the one they all have to catch in this afternoon's Duke of Cambridge Handicap on Newmarket's July course.

Henry Cecil's good-looking Thatch bay, a stable companion to Gunner B, is a three-year-old with great potential and it will be disappointing if the six in opposition this afternoon cannot be shaken off by Joe Mercer in the closing stages.

Another colt of whom the best has not yet been seen, Stephano—aiming for his fourth successive victory—receives 2 lb from the local colt and may chase the selection home by accounting for the "established" member of the party, Dee Stakes winner Heir Presumptive.

Lester Piggott rarely rides for Bruce Hobbs and the booking for the once-raced Great Grey Niece in the Princess Maiden Stakes could prove significant. On her only previous appearance, this grey daughter of the speedy Grey Shoes ran well before tiring to finish sixth of 10 in Ascot's Fenwolf Stakes, won by Contralto.

Another in this event, the unraced Manawa, who was expected to take a hand in proceedings at Salisbury but failed to enter the stalls, could make her presence felt at attractive odds.

This William Hastings-Bass debutante, ridden by Australia's Harry White, is a half-sister by Mandamus to Armelle, a nippy two-year-old.

The world's finest collection of yearlings comes up for sale in two weeks when the 35th annual July sale at Keeneland, Kentucky, gets underway.

The 400-plus lots on offer include representatives from nearly all the leading sires in America in the last two seasons. Northern Dancer has six colts and four fillies, while Never Bend has four colts and three fillies.

Of particular interest to British visitors will be a filly by Nijinsky out of Bitty Girl; a filly by Forli out of Broadway Melody; and a colt by Habitat out of Fleet.

One expected to fetch a big price, even by Keeneland standards, is a handsome colt by Northern Dancer out of the Oaks winner, Homeward Bound.

NEWMARKET
2.00—Great Grey Niece*
2.30—Hatched***
3.00—Ridaness
3.35—Stanford
4.05—Sandford Lass
4.40—Sofronoff
5.10—Chop Gate**

KEMPTON
6.40—Rectitude
7.05—Nellie Clark
8.30—Northanger

Patrol fleet reinforced

CUSTOMS and Excise is reinforcing its coastal patrol fleet with two more Fairey Marine Tracker MK II vessels.

It already has four Trackers in service, carrying out surveillance duties in a wide area of Britain's coastal waters to prevent smuggling and other illegal acts.

Elkay to move

ELKAY Electrical Manufacturing Co, manufacturer and supplier of electrical components, is to lease a 20,000 sq. ft. factory from the Development Board for Rural Wales on its Mochdre Industrial Estate, Newtown. Initially, the company will employ about 60 people when it moves to Newtown from its present premises in south-east London.

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40 am Open University. 10.55 The Open Golf Championship at St. Andrews. 1.30 pm Fingerbobs. 1.45 News. 2.15 The Open Golf Championship. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Boss Cat. 5.10 Newsround Weekly. 5.35 The Wombles.
5.40 Evening News.
5.55 Nationwide (regional variations).
6.50 The Osmonds with guest Engelbert Humperdinck.
7.20 The Big Time.
8.15 Z Cars.
9.00 Party Political Broadcast by Labour
9.10 Main News.
9.35 The Risk Business.
10.20 Jack Jones with Marvin Hamlisch and Deniece Williams.
11.05 Where There's a Hill There's a Horse.
11.35 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—5.10-5.35 pm Bilidowcar. 5.55-6.20 Wales Today. 6.50-7.15 Heddiw. 7.15-7.40 Pawb Yn Ei Fro (cyfres newydd). 7.40-8.15 Come Back Mrs. Noah. 11.35 News and Weather for Wales.

Scotland—9.55-10.00 a.m. "Paddington takes a Bid." 10.00-10.15 Jackanory. 10.15-10.35 Grange Hill. 10.35-10.55 The Islanders. 5.55-6.20 pm Reporting Scotland. 11.35 News and Weather for Scotland.

Northern Ireland—10.55-11.40 am The Twelfth: The Orange Order's procession. 4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.36-12.20 am The Twelfth. 12.20 News and Weather for Ulster.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 am Open University.
10.35 Gharbar.
11.00 Play School.
4.20 pm Open Golf from St. Andrews: The 107th Championship.
7.30 News on 2.
7.40 Rhythm on 2: The Dutch Swing College Band.
8.10 Brass Tacks with Eric Robson.
9.00 Party Political Broadcast.
9.10 Call My Bluff.
9.40 Globe Theatre: "The Interrogation of Machiavelli."
10.40 Late News on 2.
10.50 Golf Championship highlights.
11.40 Closedown.

LONDON

9.30 am A Place to Live. 9.55 Catch '77. 10.20 The Undersea Adventures of Captain Nemo. 10.30 Spiderman. 10.55 Nature of Things. 11.45 Beany and Cecil Cartoons. 12.00 Cloppa Castle. 12.10 pm Stepping Stones. 12.30 Sounds of Britain. 1.00 News at One. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Midweek Racing from Newmarket (covering 2.30, 3.00, 3.35, 4.05 races). 4.20 Michael Bentine's Potty Time. 4.45 Shadows. 5.15 The Flintstones.
5.45 News.
6.00 Thames at 6.
6.35 Crossroads.
7.00 Don't Ask Me.
7.30 Coronation Street.
8.00 London Night Out with Petula Clark.
9.00 Party Political Broadcast.
9.10 The Queen of a Distant Country.
10.10 News at Ten.
10.40 Best Sellers: "Testimony of Two Men."
12.25 am Close: Shakespeare sonnet read by Sir John Gielgud.

All ITN regions as London except at the following times:

ANGLIA

10.20 am Friends of Man. 10.40 Simply Sewing. 11.05 In Concert. 11.30 Changing Climate. 1.25 pm Anglia News. ... Houseparty. 5.15 Mr. and Mrs. ... About Anglia. 12.25 am The Big Question.

ATV

9.15 am Something Different. ... Summer Break. 10.20 Angling Today. 10.45 Banacek. 11.55 Adventures of Parsley. 1.20 pm ATV Newsdesk. ... ATV Today.

BORDER

10.20 am Technoflash. 10.40 Simply Sewing. 11.05 In Concert with Bilbo Baggins. 11.30 Changing Climate. ... pm Border News. 2.00 Houseparty. ... The Great Yorkshire Show. 6.00 Lookaround Wednesday. 10.10 News/Border Weather. 12.25 am Border News and Weather.

CHANNEL

1.18 pm Channel Lunchtime News. What's On Where. 5.15 George Hamilton IV. 6.00 Channel News. 6.10 The Beatles. 9.00 Review Today and Tomorrow. ... Channel Late News. 12.10 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.25 am First Thing. 9.30 A Place to Live. 10.20 Wild Country. †10.40 Simply Sewing. 11.05 "The Walls Came Tumbling Down." 11.30 In Concert. ... Changing Climate. 1.20 pm Grampian News. 6.00 Grampian Today and Area Weather. 6.10 Police Newsroom. ... The Woody Woodpecker Show. 10.50 Best Sellers. 12.25 am Reflections. ... Grampian Late Night News.

GRANADA

10.25 am Sesame Street. 11.20 Solo One. 11.45 Song Book. 1.20 pm This Is Your Right. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 University Challenge. 12.25 am A Little Night Music.

HTV

10.20 am The Lost Islands. 10.40 Simply Sewing. 11.05 In Concert. 11.30 Cricket. 12.30 pm Cricket. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. *5.20 Crossroads. 6.00 Report West.* 6.15 Report Wales. 6.30 Father Dear Father. 10.10 News followed by Report West Headlines.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.30 Miri Mawr. 4.30-4.45 Un Tro. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.20 am Clue Club. 10.40 The Stationary ...

RADIO 1 247m

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates including The Golden Hour and Meet Your Match. 11.31 Paul Burnett including 12.30 pm Newsbeat. 2.00 Tony Blackburn including National Pop Panel. 4.31 Kid Jensen including 5.30 Newsbeat, and 7.00 Girl Talk. 7.30 Sports Desk (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 am As Radio 2.

F.T. CROSSWORD PUZZLE No. 3,716

ACROSS

1 Refusal to come clean is unable to bear scrutiny (4, 4)
5 Bars involved in frame-up (6)
10 Draw the Spanish drier (5)
11 Cancelled what a kid brother kept in (9)
12 Reverting to type of cat a visit discloses (9)
13 General run of a voice (5)
14 Name alternative lessee (6)
15 Stop game official taking shower (7)
18 Obedient in making tax sound complete (7)
20 Whole of National Trust in Ireland (6)
22 Open pub at Lake Success (5)
24 Write with determination one article then shut up (5, 1, 3)
25 Somehow rein nasty bully (9)
26 Applause is hidden by the clatter (5)
27 Breakfast food for the more foolhardy (6)
28 Way youth leader catalogues good writers (8)

DOWN

1 Intelligence Henry displays moreover (6)
2 Tradesman making paper profits only (9)
3 Bill for fruit given to king (7, 2, 6)
4 Official setting off towards first course (7)
6 Having no taste whatever for Scottish dancing in succession (5, 3, 3, 4)
7 Left public school to spill the beans (3, 2)
8 Permanent objective over upper-class combine (8)
9 Visible ammunition for a draughtsman (6)
16 Pool car is in smash on way to citadel (9)
17 Insurance expert finds notice more equitable (8)
19 Boy that is after the French doctor of divinity (6)
20 Obvious I would enter one of races (7)
21 Combines with number one to take two points (6)
23 Bad coughs we hear in the county (5)

SOLUTION TO PUZZLE No. 3,715

ENTERTAINMENT GUIDE

THEATRES

CREDIT CARD BOOKINGS 836 7611.

ALBERY. 836 3878. Credit-card bkgs. 836 1971-3 from 8.30 am. Party Rates. Mon., Tues., Wed. and Fri. 7.45 pm. Thurs. and Sat. 4.30 and 8.00. "A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER! MIRACULOUS MUSICAL." Fin. Times. with ROY HUDD and JOAN TURNER "CONSIDER YOURSELF LUCKY TO BE ABLE TO SEE IT AGAIN." Dly. Mirror

ALDWYCH. 836 6404. Info. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Fully Air Conditioned. Today 2.00 and 7.30: CORIOLANUS "An evening of true theatrical glory." S. Times. With Strindberg's THE DANCE OF DEATH (next perf. Tomor.). RSC also at THE WAREHOUSE (see under W) and at the Piccadilly Theatre in Peter Nichols' PRIVATES ON PARADE.

ALMOST FREE. 485 6224. Lunchtimes "One Off." by Bob Wilson. Tues.-Sat. 1.15 pm. Suns. 3.00 and 5.00 pm. No shows Monday.

ALMOST FREE. 485 6224. Evenings Kurt Vonnegut's "Player Piano." by James Saunders. Tues.-Sat. 8.00 pm. No shows Mondays.

AMBASSADORS. 01-836 1171. Nightly at 8.00. Matinees Tues. 2.45. Saturday 5 and 8. PATRICK CARGILL and TONY ANHOLT in SLEUTH The World Famous Thriller by ANTHONY SHAFFER "Seeing the play again is in fact an utter and total joy." Punch. Seat prices £2.00 to £4.00. Dinner and Top-price seat £7.50.

APOLLO. 01-437 2663. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.00 and 8.00. DONALD SINDEN "Actor of the Year." Evening Standard. "IS SUPERB." N.o.W. SHUT YOUR EYES AND THINK OF ENGLAND "Wickedly funny." Times.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . see it." Sunday Times. Monday to Thursday 8.30. Friday and Saturdays at 7.00 and 9.15.

ASTORIA THEATRE, Charing Cross Road. 01-734 4291. Mon.-Thurs. 8 p.m. Fri. and Sat. 6.00 and 8.45. (Buffet food available) ELVIS "Infectious, appealing, foot-stomping and heart-thumping." Observer. Seats £2.00-£6.00. Half-hour before show best available seats £3.00. Mon.-Thurs. and Fri. 6 pm perf. only. BEST MUSICAL OF THE YEAR EVENING STANDARD AWARD

CAMBRIDGE. 836 6056. Mon. to Thurs. 8.00 Friday, Saturday 5.45 and 8.30. IPI TOMBI Exciting Black African Musical. "Packed with variety." Dly. Mirror. Seat prices £2.00-£5.50. THIRD GREAT YEAR Dinner and top-price seat £6.75 inc.

CHICHESTER. 0243 81312. Tonight, July 14 and 15 at 7.00. July 13 at 2.00. THE ASPERN PAPERS. July ...

Wordsworth beyond our Ken

by CHRIS DUNKLEY

he most eagerly anticipated gramme of the week, *Clouds Glory*, was in the event someng of a surprise: it fulfilled ther the highest nor the est expectations with which might justifiably have aited it.

he director and co-writer of biographical film about rdsworth was Ken Russell, *lescent terrible* of the film inury who has scandalised usands of worshippers of ssical music, religion and rature with works such as *tomania, The Devils* and *men In Love.*

Before going into the cinema make those he spent years h the BBC, his last promme in 1971 being *The nce Of The Seven Veils*, a w of Richard Strauss which parently horrified many but ighted a few of us with its rchic mixture of fact, fantasy, d outrageous imagery undermed with the concern about life and tribulations of great ists which has characterised much of Russell's work.

What could he not do with he love story of the poet ordsworth and his sister," as s new programme from Granada was subtitled? What might he make of images such as:

> "Stern daughter of the Voice of God!
> O Duty! if that name thou love
> Who art a light to guide, a rod
> To check the erring and reprove."

What price flagellation not to mention incest, nudity and troilism all over Dove Cottage?

On the other hand, he might come up with something more like his earlier BBC films on Elgar, Debussy and in particular Delius, which attracted such wide acclaim, and since Melvyn Bragg who co-scripted the Debussy film was collaborating again on the *Clouds of Glory* programmes (the second, with David Hemmings as Coleridge, appears next Sunday) this seemed at least as likely.

Sure enough it was the quieter and more respectful Russell who brought us Wordsworth and his sister Dorothy. In fact there were moments when the film only just avoided the cloying lyricism of the Hollywood biopic. Not only did it imply that the poet's *beloved sister died tragically of* some mystery disease, during the course of which she did little but recite to her brother his own immortal lines and recall their idyllically pastoral childhood (actually she lived to be 85, dying five years after he did), but from time to time the script and pictures began to feel uncomfortably like a Valentine card.

Thus at the end of the line "For I have learned to look on nature" — the film cut to a closeup on a red rosebud and then raced off into a quick cutting sequence of other "nature" pictures.

But mercifully such moments were rare. In the main the acting from David Warner and Felicity Kendal in the leading roles, Dick Bush's surprisingly unromantic photography of the Lake District (the weather may have helped avoid cliches), the music of modern English composers (presumably chosen by Russell), and above all the use of Wordsworth's own words, combined to create a whole which, considered simply as a televsion programme, stood up well and provided much enjoyment and some enlightenment. The presence of the *Reverend Dewey seemed an* encumbrance rather than a help, but of no great significance.

The thing is that one has learned to expect a bit more than that from Russell. His Delius film achieved a coalescence of visual image, music, and biographical fact which was almost magical in its unity, and though the Wordsworth programme approached this it never quite got there.

Nor on the other hand did it throw up a welter of images of the sort Russell has used elsewhere to explore the motives of and responses to great artists.

It does seem a pity that in any one work he tends to operate in only one of these two mutually exclusive modes: the first exploiting the conscious, beautiful, controlled, poignant, dreamlike and loving aspects of life, and the second the subconscious, bizarre, uncontrolled, bitter, nightmarish and lusting. A combination of the two ought to result in a masterpiece, showing us in one work as Shakespeare has, and Tolstoy, how the dark and dreadful in humanity is an inevitable corollary of the light and loving.

Just once in the Wordsworth film we saw Russell's darkly *gleaming side when he hinted at* some of the grounds for the known change in the poet's political sympathies from revolutionary to reactionary, by showing us French aristocrats being whipped up like dray horses in the shafts of a cart manned by cackling Jacobins.

★

Russell's film came at the end of a fortnight's television which belonged largely to Dan Maskell, and should have belonged to him even more. Maskell is, of course, the chief Wimbledon commentator and it is about time somebody pointed out that he is remarkbly good at his job, as are several of the BBC's senior sports commentators.

For instance, despite the interminable fun made of David Coleman's supposed solecisms he is actually an exceptionally well-informed and level-headed commentator even if he does occasionally (and the occasions are rare) become over-excited and consequently shrill. It was not he but his colleague Ron Pickering who informed us during Sunday's athletics meeting at Gateshead that, "In this race there's only one winner."

If one were to criticise Maskell it would not be for his repetitive use of "Played!" or more emphatically "Well played!" or ecstatically "Oh, well played!" since repetition is the mark of most unscripted speech, and Maskell's catchphrases are less intrusive than many.

It would be, first, for *chauvinism (even if his order of* preferences — British, Commonwealth, European, American, others—does precisely match that of the Wimbledon crowd) and second, and rather more important, for sounding too much like an honorary member of the international tennis circus and too little like an independent and —when necessary — critical onlooker.

Yet his true value becomes apparent every time some nonprofessional commentator is invited to air an opinion between games. Mark Cox, for example, may know a lot about tennis but he talks like a sociologist. On Saturday he invented something called "pressure circumstances." And apart from Peter West, even Maskell's fellow professionals are sometimes nearly as bad: one of them (unidentified, conveniently for him) should be beaten about the head with a tennis racket until he tells us the difference between what he calls "Recovering from a Love—40 situation" and recovering from Love—40.

Commentators aside, Wimbledon might almost have been invented with television in mind. *In fact*, after a visit to the Centre Court in the first week, I am convinced that *if* it is tennis you are interested in rather than strawberries, prestige, Sue Barker's legs, or a sense of occasion, you are much better off at home than you are even *in* the front row of the Centre Court.

Not only can your keep dry without any trouble in your own sitting room, and watch whole matches without straining your neck by perpetually scanning from left to right and back again, but also it is much easier to concentrate: no wind in your ear, no vile pipe smoke up your nose, no battery of single lens reflex cameras crashing away in front of you.

Since a whole tennis court fits very *neatly on screen*, with the human figure remaining quite an adequate size, and since tennis is concerned primarily with dynamics, and since the relatively low sound quality of TV sets is of little significance during a tennis match, it turns out that, unlike the subjects of some outside broadcast relays—operas say, or ballets — Wimbledon actually gains by being watched from your armchair rather than the exceptionally hard benches on the spot.

★

Welcome to the *Kenny Everett Video Show* from Thames. It is mad, honest, disrespectful, and utterly individual. Better still it's funny. How unusual to find someone such as Kenny Everett over whom such a fuss has been made turning out to be worth making a fuss over.

Kika Markham and David Hemmings in "The Rime of the Ancient Mariner," the second part of Ken Russell's "Clouds of Glory"

St. Bartholomew's

Electric Phoenix

by NICHOLAS KENYON

I happened to be reading yesterday the record-sleeve biography of a well-known pianist, who claimed to like Romanesque architecture, unintentional humour, and kitsch." would have loved Monday night's concert at St. Bart's: deed he is the only person I n think of who *could* have enjoyed it. The large audience, drawn presumably by the reports this group's successful debut Smith Square, merely plauded politely.

Electric Phoenix vocalists ren Jensen, Linda Hurst, John tter, Simon Grant and the allportant sound-mixer Terry wards — are an alarmingly ented group of up-market ingles who have chosen (on evidence of this offering) to row their talent away on music ich makes all the right stures and all the expected ises and which ends up as etentious sermonising.

The Ultimate Decay by Morris rt took 29 minutes to picture petering-out of the universe: e minutes of screeching, precorded organ punctuated by lent drum beats: another five chatterings mingling into such elligible texts as "all creation based on absolute principles" fteen minutes in, a hypnotic ythm ostinato was developed; n the organ was back, mixed th wandering chords from the es: twenty minutes in, pretty nthesiser noises mingled with tinkle of bells; finally we ard the grunts of an expiring ick over the sound system; and um beats alternated with a eding thunderstorm for the al four minutes.

Such was the kitsch: the intentional humour surfaced Stockhausen's *Expo*, a particlarly fruitless exercise in nsforming short wave radio gnals during which several of e audience thought they could better (without inspiration m a radio) and probably did. rry Guy's *Hold Hands and ng* combined the two qualities, d left me baffled on a first aring: this sub-Stoppard portrait of a 1916 Dada cabaret was ther exuberantly nihilistic r intelligibly didactic. *Among* technical equipment, though, did introduce a potentially scinating transformer of movement into sound. Finally (or fact firstly), there was John ge's *Aria*, painfully unfunny. d John Rushby Smith's *tespun*, a lovely confection of pe-delayed sounds from Karen nsen and Linda Hurst: a usical hall of mirrors, the ages bending endlessly into e distance.

Stratford, Ontario

Not Shakespeare

by B. A. YOUNG

"Does he believe," wrote an indignant Whistler to the editor of The Spectator when his art critic damned the painter's *Symphony in White* for containing colours, "that a Symphony in F contains no other note, but shall be a continued repetition of F, F, F? Fool!" There are six non-Shakespearian plays in Stratford's *opening repertory* this year, and more to come. After all, the New York Shakespeare Festival's current productions are *A Chorus Line, For Coloured Girls who have Considered Suicide* and *Runaways.*

At the Avon Stage *Uncle Vanya* is given a transcendent performance under Robin Phillips, who as usual has taken on most of this year's work, and Urjo Kareda, who is his dramaturge. The set is severe and economical, two plain wooden walls (one wall only in Act One, showing a glimpse of trees) and plain wooden furniture. The featureless boredom of life on the Serebriakov estate is perfectly established, and the irrelevance of the Professor (Max Helpmann) with his bulbous intellectual head above a black *coat and striped* trousers comes as a salutary shock.

The Professor's wife Elena is even more irrelevant, for she is Martha Henry, looking fabulously beautiful in her expensive clothes (Daphne Dare is the designer), and floating casually above life save when occasionally an excess of ennui tempts her to dip her fingertips into reality, carelessly breaking Vanya's heart and Sonya's, even making a little chip on Astrov's.

It is a beautifully thought-out performance, and has moreover some sturdy material to work on, for Vanya is played by William Hutt and Astrov by Brian Bedford. Vanya's good-natured resolution glows from Mr. Hutt's white-fringed countenance; and even his antics with the pistol after the subtly orchestrated family conference only make him more lovable. Mr. Bedford's Astrov is a marvel of coolness: his self-analysis in the Act Two scene with Sonya (Marti Maraden, hardly plain enough) is masterly.

There is a new translation by John Murrell, current enough to ensure that another will be needed in 20 years' time. But it contains one useful piece of modish American — Astrov *(talking about the Professor)*: Is he really sick? Vanya *(with a new slant)*: He's really sick!

The versatile, protean Martha Henry is seen again as Sister Jeanne in John Whiting's *The Devils*, a little bump-backed creature alternating sanctity with diabolic possession. This fantasy on a theme by Aldous Huxley does not suggest to me a deep understanding of the subject; the tale is told on a virtually romantic level. Father Grandier is presented almost as a sentimental character, and Nicholas Pennell plays him with a fine sweep of blond hair—all, alas, to be shaven when he comes into the hands of the Inquisition — and dapper beard. Apart from Jeanne, the nuns are not much more than naughty schoolgirls. The importance of such matters is not completely realised.

Martha Henry

Robin Phillips gives the play an appropriate fire from the start, with fortissimo organ chords and vivid strobe lights to set the first scene. It is a play for big performances, and it has them from its main characters. Miss Henry, writhing under the domination of Asmodeus, whose devilish voice sometimes suggests Eartha Kitt's, is a terrifying figure. Mr. Pennell, with his sleep white soutance and scented handkerchief that so offends his bishop, is as sure of damnation as Faustus, and is sent horribly to it on the wheel.

Candide plays sometimes on the proscenium stage of the Avon, sometimes on the open stage of the Festival. It is characteristic of this management to choose a musical with intellectual music by Bernstein and an intellectual plot by Voltaire. It is also a sign of their integrity that the singing is singing, not mooing through microphones, and the singers, led by Edward Evanko, Cathy Wallace, Carolyn Tomkin and Andrea Martin as Candide, Paquette, Cunégonde and the Old Lady demonstrate how very much better even modern musicals are when the voices are undistorted.

The production is packed with comic little cameos, bright costumes and modestly entertaining choreography. (I saw it on its first performance on the Festival Stage, which perhaps didn't show it at its best.) It is directed by Lotti Mansouri of the Canadian Opera Company.

Richard Monette, Hamlet two years ago and the Sewerman in *The Devils* this year, fires off *Judgement* by Barry Collins at the Avon. He persuaded me no more than Colin Blakely did at the National that the piece is designed for speaking rather than reading, and he is indeed inclined to treat it as literature rather than drama. All the same, a considerable achievement.

The Third Stage, a 300-odd-seat open space with a stage like the front half of the Young Vic's, reopens with a new play by Sheldon Rosen, *Ned and Jack*. Ned is Edward Sheldon, once a famous New York playwright, and Jack is John Barrymore, and the play presents an imaginary encounter between them when Barrymore has started his famous run of Hamlet and Sheldon, to whose encouragement the performance is due, is prevented from going by a crippling arthritis. Barrymore resolves to repay his debt by helping Sheldon to live through his illness as happily as possible: but he has not the depth of understanding to see that beachcombing on Tahiti is not exactly the right prescription.

Mr. Rosen has filled Barrymore's lines with the Barrymore panache and Sheldon's with the Sheldon arthritis. Consequently Alan Scarfe, in a masterly interpretation of the original, holds the stage throughout, while Jack Wetherall — whose character, *after all, is the focus of the proceedings* — can only indicate his not inconsiderable talent for playing a half-crippled man entering a dark middle-age.

Peter Moss is the director. There must be some way in which he can make visible the fountain-pen with which Sheldon threatens Barrymore. From where I sat, he might have been threatening him with no more than his fist.

St. Bartholomew-the-Great

Lontano Ensemble

by NICHOLAS KENYON

After Monday night's extravagances, it was good to return to St. Bartholomew's for a lunchtime concert in which every piece was worth hearing. The Lontano Ensemble, on this occasion Ingrid Culliford (flute), Nicholas Gethin (cello) and Odaline de la Martinez (piano), gave four works, and the flautist and pianist were joined by soprano Karen Jensen in *Karita II* by Naresh Sohal. I have too often suspected this composer's music of being purely atmospheric, but here the atmosphere (of languorous lassitude, enjoyed and indulged) provided a compelling framework for a setting of John Donne's *The Good Morrow* — the poetry becomes tougher than does Sohal's music, but its conclusion is beautifully mirrored in Sohal's final microtonally dissonant unison.

Marek Stachowski's Audition, which received its British première, proved to be a well-planned, closely-knit essay for flute, cello and piano; it worked outwards from an attractive decoration of the note D, through a violent movement exploring the inside of the piano, then a "natural break" with tuning and improvisation from the instruments, to a quieter substantial movement in which the pianist returned to the keyboard, and a final evaporation into harmonics based again on D.

Similarly satisfying in design and content was Odaline de la Martinez's A Moment's Madness, a flute piece with occasional commentary from the inside of the piano: an agitated, powerful Cadenza, a strong solo movement, and then a cheerful little ostinato from the piano strings, broken by echoes of the flautist's opening cadenza.

Rather drier than these, but no less coherent, was a dour *little Duo for flute and piano by* the German, Dieter Acker; the prettiest and least substantial piece was *Shun-San*, a hymn to spring by the Japanese composer Fukushima which explored the full range of the flute's possibilities, and was strongly projected by Ingrid Culliford — indeed all four performers served their music well, arguing its merits with sensitivity and unobtrusive commitment.

Mea Venema and Rudolf Nureyev (right) in "About a Dark House"

Coliseum

Dutch National Ballet

by CLEMENT CRISP

Rudolf Nureyev's incumbency of the Coliseum has brought the Dutch National Ballet to join him this week, in a bill in which Nureyev appears in four of the five works on show—a generosity towards his audience which also means a programme of excessive length. The one ballet in which he does not appear is the most easily dispensable — the glum *Adagio Hammerklavier*—but even Nureyev needs a moment's rest in such a marathon evening, and so we have to suffer in whatever silence the summer coughers in the audience allow. The adagio from the Hammerklavier sonata is a demanding enough piece in the concert hall: with Hans van Manen's version the choreography seems like someone kicking determinedly against the door of *a room in which the music is* being played. Apart from the beautiful account of a duet by Alexandra Radius and Han Ebbelaar, who surmount even its "wrong note" wilfulness, I find it an exasperating piece.

Nureyev begins the evening in another van Manen work: the *Four Schumann Pieces* made three years ago for Anthony Dowell, and designed as a showcase for his broad-spanning lyricism. Nureyev makes a sharper, more tensely dramatic figure of the isolated hero. I find his dancing here, as throughout the evening, very serious because so carefully considered.

It is sometimes vehement in dynamics, but in his fortieth year Nureyev not only makes prodigious demands upon his physique, but also *endows his* every step with a psychic intensity, as if will and mechanism had fused into a single extraordinary expression of movement. The result is sometimes disquieting, because the dance seems almost naked in its drive —the conventions of classicism's elegant surface have dropped away to reveal the raw thrust of energy — but more often there is now an hypnotic fervour in what Nureyev does. It is, and of how few dancers can one say this, emotionally involving of its audience, and the insidious blandness of the Schumann pieces choreography thus acquired an odd and pungent savour.

The *Corsaire* duet which followed has for years been a Nureyev show-stopper. Its vulgarity last night was unabashed, and Maria Aradi produced a coarse manner for her variations; there is nothing to commend in it save the headlong drive that impels Nureyev through it—like a wall-of-death rider *he seems to survive on the* initial momentum of his solos.

Book Reviews appear on Page 24

The two works new to London which complete the evening are oddities: one successful, the other hermetic. Toer van Shayk's *Faun* updates yet again the Nijinsky original. This time the setting is a factory: two girls go through routine machine work as pop music tears the air; a young man passes pushing a cleaner's trolley. At a lunch-time break, one girl turns off the pop music; the boy settles down to eat his meal (a bunch of grapes) and turns a cleaning rag first into a tangle of curls through which his fingers poke like horns, and then a wagging tail. The Debussy *Prelude* has begun, and faun and nymphs now disport themselves. For *Nureyev the role is well con*ceived, and excellently played, with traces of humour and a strong vein of sensuality. The girls — Maria Aradi and Alexandra Radius — are less well served; their identity is never clear.

Rudi van Dantzig's *About a Dark House* is a rather different matter. It has to do with an outsider at a party who imagines the stuffy guests as he would have them be — this I infer *from* the programme note, though the choreography did not make it clear to me. There is an excruciating score by Roman Haubenstock-Ramati, and brilliant design by Toer van Schayk that transforms a '70s functional drawing room into a poetic open arena. A double cast — guests and their imagined selves — grapple and posture, and Nureyev makes the best of a bad job.

In their many and varied activities during the evening, the Dutch National dancers gave excellent accounts of themselves the company's design — often simple, always sensitive — seems to me very well judged.

European orchestra

Plans for the European Community Youth Orchestra's summer tour were announced by Mr. Edward Heath, the orchestra's president.

During August the ECYO, conducted by Lorin Maazel with Mr. Heath as guest conductor, will give concerts in London, Dublin and Copenhagen and will also take part in the Tenth Anniversary Festival of Youth Orchestras at Aberdeen.

The programme, including works by Britten, Verdi, Brahms and Berlioz, will be slightly more popular than that chosen by Claudio Abbado for the ECYO's successful spring tour, when *Mahler's Sixth Symphony* was the chief item.

As Amsterdam, Bonn, Paris, Luxembourg, Brussels, Milan and Rome were on the itinerary at Easter, by the end of the summer tour all nine of the European Community Countries will have been visited by the orchestra, whose young musicians, aged between 14 and 20, are drawn from places as far apart as Sicily and Denmark.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
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Wednesday July 12 1978

Beginning to work

AFTER THE financial package which the Chancellor was forced to introduce early last month in order to preserve the credibility of the strategy outlined in his Budget speech, the markets were understandably prepared for some improvement in the behaviour of the money supply. The package was made necessary by two related considerations: the excessive growth of sterling M3 during the financial year just ended—it reached 16½ per cent against the official target range of 9-13 per cent—and a feeling that the fiscal proposals put forward in the Budget could not easily be reconciled with the new financial targets. Sales of stocks to buyers other than the banks therefore languished and gloomy expectations became self-justifying.

The banks themselves were so conscious of the fact that fresh controls on the growth of the money supply might have to be introduced that they had for some time been building up their base of interest-bearing deposits against a re-imposition of the official corset on growth. The Bank of England had sought to combat this window-dressing with a warning that it might choose an earlier date as the base for any re-imposition. And this, when the package was finally announced, is precisely what it did. Not only were interest rates raised again, but the corset on the growth of interest-bearing bank deposits was re-imposed in a manner that was bound to hurt.

Money growth

The immediate reaction to these measures was an assumption that the worst was out of the way and that interest rates were now more likely to fall than rise: the Government soaked up funds that had been held in suspense by selling large quantities of gilt-edged stock — such large amounts, in fact, that the market soon developed a fit of indigestion from which it has only recently begun to recover with the strengthening of the sterling exchange rate against the dollar. This recent recovery, however, is still sufficiently tentative to be greatly dependent on news of particular concern to gilt-edged investors, notably the behaviour of the money supply and the latest twist of the trade figures.

Figures for the actual growth of sterling M3 will not be available until next week, but yesterday's monthly banking figures provide an advance indication of what to expect. So far as advances go, the return to June 21 shows that the clearing banks again increased their loans to personal and business borrowers, with the emphasis this time rather more on manufacturing. The banks themselves, however, stress that there has been no sudden, sharp rise in the demand of manufacturing industry for bank accommodation, and the latest figures may have been affected by the switching of demand from the money market to the banks to save on interest. The effect of the corset should eventually be to restrict the banks' freedom to lend.

Possible brake

Although their interest-bearing deposits have in fact fallen during the latest month—implying that the change in sterling M3 is unlikely to be large in either direction—they still have a good way to go before reaching the level above which they become liable to penalties in two months' time. Given that the eligible liabilities of the clearing banks have risen while those of the banking system as a whole have fallen, moreover, it is possible that the former will have to brake the future growth of their advances with particular force—hardly a stimulus to investment in either stocks or fixed capital, at a time when profits are likely to be flat. To contain the growth of the money supply, however, the Government had no choice—with its traditional methods of financing the public borrowing requirement—but to behave as the market expected. Yesterday's banking figures will help to continue the virtuous spiral; it remains to be seen whether the trade figures due to be published at the end of the week push in the same direction.

More coal than can be burnt

IT IS disappointing to find the Energy Secretary putting pressure on the Central Electricity Generating Board to burn more coal in its power stations than the board believes it to be in its commercial interests to burn, so soon after the Government issued a White Paper in which it undertook to put its relations with the nationalised industries on a more regular footing.

Convinced

The occasion for Mr. Wedgwood Benn's intervention is the difficulty the Coal Board is facing in finding outlets for all the coal it is now producing. Output has risen under the impetus of the miners' productivity bonus scheme and, with coal consumption in the steel industry at a low ebb and the collapse of the proposal for an EEC subsidy for coal exports, the coal industry is looking to electricity, its biggest single customer, for help in avoiding an embarrassing increase in stocks of unsold coal. The CEGB has agreed to increase its purchases by about 3-4m tons this year to make a total of 74m tons. But these extra quantities are mostly passing straight into power station stocks, and to repeat the exercise next year or to take yet more this year would, the board believes, conflict with its statutory duty to produce electricity at an economic price.

These differences are not made any easier to resolve by the two energy boards' conflicting views about the long-term prospects for coal burning in the electricity supply industry. The Coal Board may at present have more coal than it can sell but both the board and the Government are convinced that large quantities will be needed to take the place of other energy supplies towards the end of the century. Because lead-times are long the coal industry is spending heavily on modernisation and the development of new capacity to replace pits nearing the end of their lives.

For its part, the CEGB doubts the Coal Board's ability to achieve its output targets, and in any case sees nuclear power becoming progressively cheaper in relation to base load electricity produced from fossil fuels. As a result, the CEGB is forecasting a total coal burn of about 65-75m tons a year by the mid-1980s as against the figure of 85m tons which the Government put in its green paper on energy policy earlier this year.

It is obviously in the interests of any commercial organisation, within the State-owned or private sectors of industry, to have regard for the interests of a major supplier or customer, especially where the relationship is as vital and as close as between the CEGB and the NCB. But a line has to be drawn somewhere. If the Generating Board believes that it has gone as far as its statutory obligations permit, then it has a duty to say so. If, in turn, the Energy Secretary considers that other considerations should prevail, then he must ask the taxpayer rather than the electricity user to bear the cost and so avoid further distortions to the structure of energy prices.

Staked

This appears to be precisely the kind of situation in which the issue of a specific direction, along the lines proposed in the recent White Paper, would be appropriate. If such powers were already in existence, Ministerial interventions would be subjected to both Parliamentary approval and a measure of financial discipline since the procedure would require Ministers to estimate the costs involved and pay compensation to the industry concerned. In this way, the respective responsibilities of board and Minister would be more clear.

As it is, the Government has placed a substantial stake on its judgment about the future pattern of energy demand. In addition to the coal industry's investment programme, it is currently subsidising the Coal Board's stocks, the prices of Scottish and Welsh coal, and the cost of building the second stage of the Drax B coal-fired power station ahead of time. Given the history of energy forecasts, it is only right that the public should be made aware of how much is being staked on the coal industry on their behalf.

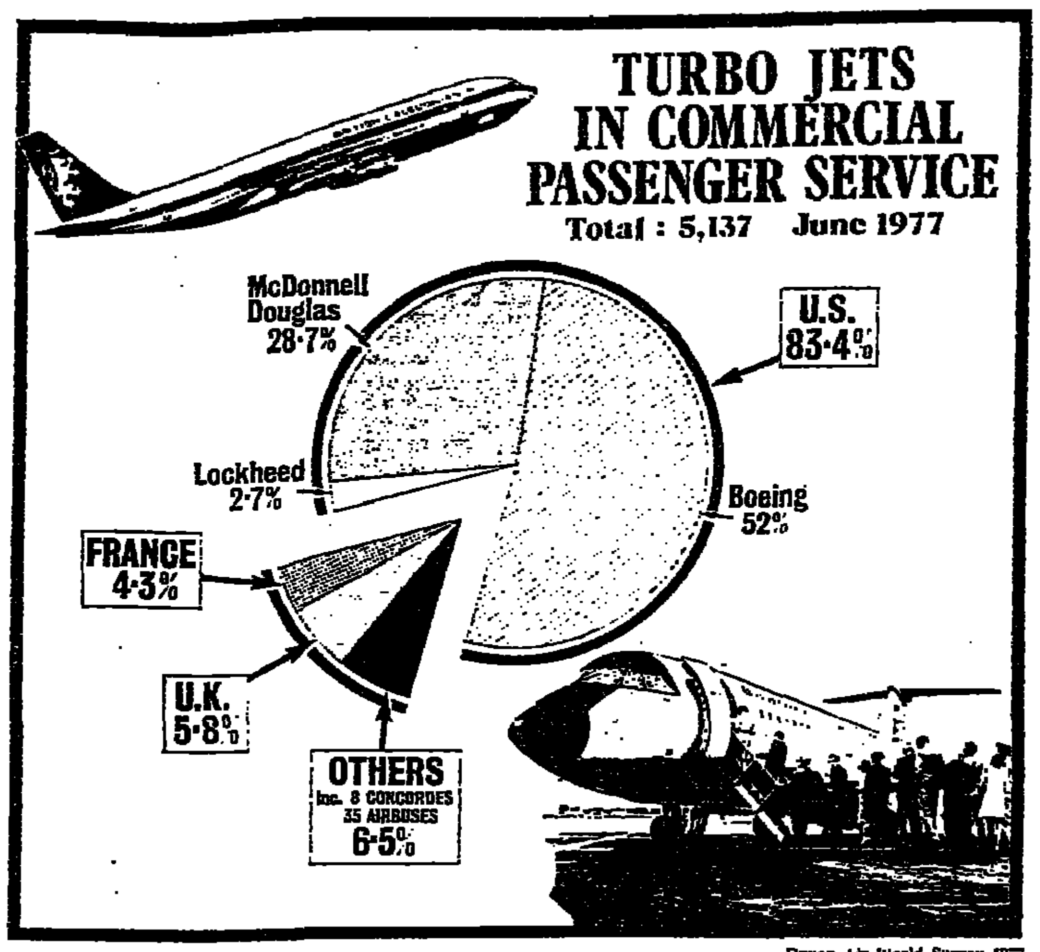
Europe's Airbus: biting at Boeing's heels

BY STEWART FLEMING IN NEW YORK

OVER ONE-HALF of the large commercial jets now operated by the airlines of the non-Communist world were built by Boeing. But as the airlines enter another era of heavy capital investment in a new generation of aircraft which could involve their spending over $70bn (at current prices) in the next 10 years, Boeing is facing an immense task if it is to hang on to that market share.

The company, as well as its U.S. rivals McDonnell Douglas and, to some extent, Lockheed, can now reckon with a serious challenge for a large slice of that emerging market from, in particular, the European Airbus Industrie consortium.

With the announcement that three European airlines, Air France, Lufthansa and Swissair, have placed firm orders for the Airbus B-10—a 200-seater, wide-bodied jet—the consortium has become the first of the major aerospace contractors to launch officially production of a new generation aircraft, directly competitive with designs Boeing is preparing.



Exxon Air World Survey 1977

Earlier this year it was thought that by June Boeing, too, would be ready to announce a major order for new jets, with United Airlines expected to be the first customer. Such an order would give Boeing a base from which to launch its new generation of aircraft. That announcement has still to come even though Boeing has been working on designs for four years and currently has 1,000 top designers doing pre-production work. But United Airlines, the largest of the world's airlines, is now actively considering the purchase of the 200-seat B-10 rather than the rival Boeing jet—an order which could be worth $26bn.

Boeing itself is under no illusions about the threat. Mr. Joseph F. Sutter, vice-president of commercial product development for Boeing Commercial Airplane, remarked in an interview last month that the company was "under tremendous pressure" to officially launch its new aircraft programme. "If we postpone for two years the B-10 will be biting at our heels," he remarked. With the Airbus Industrie jet now rolling towards production and Boeing still waiting a firm order to launch its rival, that judgment is looking optimistic.

In addition to the now very real challenge from Airbus Industrie in the market for a new, medium-sized wide-body jet, Boeing is also facing the threat of strong competition for a new advanced narrow-bodied jet in which many world airlines are expressing interest. The position here is confused, to say the least, particularly in Europe. What is clear, however, is that Boeing will have to fight hard if it is to establish a strong position in the market. McDonnell Douglas is working on designs for a potential rival, the Advanced Technology Medium Range (ATMR) transport. There is growing support within the UK for collaborating with McDonnell Douglas on this project rather than with Boeing on the proposed 757 and there is the possibility that a European rival, the Joint European Transport (JET), could be launched, perhaps under the aegis of Airbus Industrie.

Technological leaps

It is not just foreign competition, however, which suggests that Boeing will have to battle to retain its dominance of world jet markets. Its position was founded in the early 1950s with its launch of the most successful of the first big passenger jets, the 707, and reinforced (in terms of market share if not initially profits) when it led the way into the wide-bodied Jumbo jet era with the 747. Both initiatives were based on technological leaps in engine design and aircraft construction which offered first extra speed, then size and thus potentially big gains in productivity for the airlines.

But as aerospace industry analysts, such as Mr. John Simon of Los Angeles stockbrokers Crowell and Weedon, point out, the new generation of jets now ready to come off the drawing board and into production offer no great technological and productivity advances to encourage airlines to order them.

This fact, coupled with the recent financial weakness of some major airlines and memories of how badly the industry misjudged demand in the early 1970s, are combining to make both the aerospace companies and the airlines cautious about the new jet programmes.

Thus only Boeing is on the verge of undertaking an ambitious programme of launching completely new medium-sized jets, at a cost of perhaps $4½bn in terms of development, tooling and inventory. Some aerospace analysts suggest that Boeing's reasons for so actively considering this option in part reflect the fact that, unlike its rivals, it cannot modify its existing designs—particularly the 747—in order to get into the market for a 200-seat aircraft which seems to be emerging. The cheaper option of launching a derivative of an existing wide-body such as the B10 or a smaller DC10 or TriStar is not open to it.

Neither the airlines nor the aircraft manufacturers need much reminding of the risks of launching new jets. Recent aviation history provides ample evidence of the dangers of miscalculation and Boeing's experience in the early 1970's is part of that history.

None of the wide-bodied jumbo jets which came into service at the beginning of the decade for example has proved to be a money spinner. At one extreme of course is the TriStar which came close to killing off Lockheed Aircraft. Boeing's problems were less catastrophic but still salutary.

Boeing launched its 747 Jumbo jet in 1969 just as new orders fc all commercial jets (particularly in the U.S.) began to nosedive. The prospects of covering the heavy front end development, tooling and inventory stock of the 747 from big sales in the early years of the programme evaporated.

The company's optimistic forecasts had led it to build up its workforce to 101,000 in 1968. The ensuing crisis forced it to scythe away at its operations, cutting the work force to 44,000 by 1971.

Simultaneously its net profits which had topped $83m in 1968 slumped to only $10.2m on sales of $2.8bn in 1969. It was not until 1976 that profits recovered (in money terms) to top the 1968 level. In the past two years, with rising deliveries of planes such as the phenomenally successful 727 whose front end costs have been covered by long production runs, Boeing's profits have improved dramatically. Last year profits hit $180m on sales of $4bn. After a further sharp rise this year some analysts, including, for example, Mr. Edmund Greenslet of Merrill Lynch, are forecasting profits of $9 a share or around $380m in 1979.

The company's share price has responded dramatically to these prospects. At the beginning of the year the stock was selling at $28¾, having hit lows in single figures as recently as 1975. Currently, the stock has almost doubled to around $54, where it is selling at a multiple of close to 12 times earnings.

It is only now however, analysts say, ten years after its launch, that the company will begin to see the 747 turn into a profit spinner. Some worry that history will repeat itself and that the $4½bn or so which the company will need to spend to develop and launch two new wide-bodied jets—known as the 767 and 777 at this stage—could eat into profitability.

Analysts expect that Japanese and Italian interests with which Boeing is negotiating will each take a 15 per cent stake in the programme, and might be asked to absorb a further $1.3bn of costs.

There is broad agreement among the U.S. aircraft manufacturers about the outlines of the market they foresee for new jets in the 1980s, but considerable variation in opinion about how to fill it.

So far as the size of the market is concerned, the companies point out that hundreds of the existing world commercial jet fleet of some 5,100 aircraft were built up to 15 years ago. The average age of the United Airlines fleet is now over ten years. Many of these old aircraft (the early 707s and DC8s for example) have low productivity. They are small (two thirds of United's fleet have fewer than 130 seats), have engines some 40 per cent less fuel efficient than today's high by-pass ratio (more fuel efficient) jets and, critically for the U.S. market, they will not meet new U.S. noise standards coming into effect in 1985.

Factors such as these have led Boeing to predict that over the next decade a market for new aircraft of some $74bn will be available with about 40 per cent of the total for replacement of ageing, noisy and inefficient jets now flying, and the remainder to accommodate the growth of traffic.

Two new aircraft

But while Boeing's U.S. rivals are thinking mainly in terms of derivatives—the B-10 too is a derivative of the A-300-B—Boeing's challenge for this market will be through two new aircraft, assuming it gets a major order to kick the programme off. The general expectation is still that Boeing will announce the formal launching of the programme later in the year.

Boeing clearly feels that by launching a new "family" of aircraft it will be able directly to match the market and provide airines with the flexibility of size and range to suit their needs, and assure the company of the large block of orr needed to keep the price of aircraft competitive but profitable.

Its critics argue Boeing's plans are essenti defensive. They also point that whereas Lockheed McDonnell Douglas can reduce the size of their jun jets to get into the larger of the 180-220-seat market, Airbus B-10 is directly petitive with Boeing's propo 767 with just over 200 seats.

There is no doubt Boeing (especially with fore collaborators) can afford new ventures. It already some $800m of cash in its 1977 balance sheet and is en ing a period of impres profitability.

On the other hand it is gested that in the 1980s it take more than a well-ho sales network to keep s rolling.

That network is, incidenta under Securities and Excha Commission investigat Boeing has paid $70m in o seas commissions between 1 and 1975 and, while deny that its payments were ille is fighting fiercely to prev the names of highly pla recepients being disclosed.

It is suggested for exam that while the compa willingness to bring in fore collaborators reflects a desir spread development costs i also part of marketing strat Airlines which are un Government influence will much more likely to buy Boe aircraft if domestic aerosp contractors have a stake.

It is also clear that Boein increasingly concerned ab the favourable financing wh foreign governments are of ing their own aerospace c panies. It is suggested that of the reasons Boeing los recent Pan American World ways' order for 12 long-ra Jumbo jets to Lockheed was financing terms which Lockh was able to offer because TriStar is fitted with Rolls-Ro engines and therefore had ac to British Government exp financing.

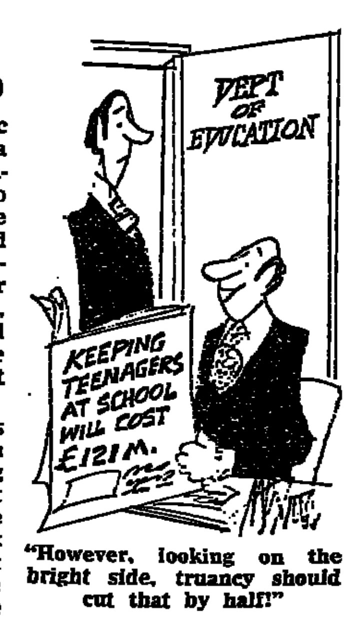
Boeing's dominant position the commercial jet market underlined this week w British Airways ordered 19 7 at a cost of $227m. Toget with its strong financial posit this leadership is likely to al Boeing to continue to win biggest share of the market new jets in the 1980s.

But it is looking less and l likely that by the end of 1980s the U.S. aerospace c panies will still command 84 cent of the non-Commu world market for big jets as t do today, or that the U.S. tr balance in commercial jets w continue to be as healt Increasingly it looks as Boeing's big market share co come under the heavi pressure.

MEN AND MATTERS

Some crumbs to comfort the Co-op

With little fanfare, "an historic moment" has occurred and a "new generation of Co-operatives" is being ushered in. So I learnt yesterday from the Co-operative Party, and so Lord (Bert) Oram is likely to confirm today when the former Labour - Co-operative MP, becomes the first president and first member of the staff of the Co-operative Development Agency.



"However, looking on the bright side, truancy should cut that by half!"

In Parliament this agency has been welcomed by one MP "on the basis of one slice being better than no bread": but David Wise, secretary of the Co-operative Party, was quick to assure me that it is in fact a "whole loaf." It will have £1.5m to cover administrative expenses for the next three years: the government expects it then to be sustained by Britain's co-operative movement. Wise told me that he thought larger sums were not needed: more important is to help would-be co-operatives to find viable projects and to point them towards finance.

When I asked him why workers' co-operatives had such a clouded image, he said that regrettably they were often formed as a last resort making a high percentage of failure likely: "The good prospects are eamed off beforehand." He said that the Scottish Daily News, Meriden and KME radiators were not good examples and insisted that in the last century workers' co-operatives had been in new industries. He said that today's main problem is capital.

What about the Co-operative Bank? I asked. Wise told me that this had to operate by normal financial rules and needed collateral and prospects of significant capital appreciation. A spokesman for the bank later told me that it thought it understood the needs of co-operatives and would be making an announcement on the bank's role today. He added that the organisation, Industrial Common Ownership Finance, had funds for investing in co-operatives. This has evolved from the successful Scott Bader Commonwealth co-operative and in 1976 was given official status by parliament. It has since made loans totalling £120,000.

Starry eyes

Now it can be revealed. The world economic recession was not caused by the rise in oil prices, the end of the Vietnam war or governments printing too much money. It was provoked by the malign influence of Saturn—and the good news is that after July 26 Saturn will be lodged in Virgo.

The magazine *Midnight Horoscope* may be unknown to Denis Healey, but it is the word of truth for galaxies of readers here and in America. The latest issue explains that in economic terms Saturn lowers production, reduces profits and investment, cause inflation and upsets the balance of payments.

But Saturn's forthcoming entry into Virgo, reinforced by a shift of Jupiter which moves into Leo, means that by the end of the year, production and investment will rise and unemployment fall. All that mars the good news is the revelation that with the 1980 U.S. election "the dreaded Zero Factor goes into effect: every President elected in a year ending in zero has died in office since 1840."

Even less united

Perhaps Dr. David Owen will not think it too unkind if I offer him, as a somewhat delayed 40th birthday present, news of yet another *split* among Rhodesia's black nationalists. This one is right on his doorstep, in the 300-strong London branch of Bishop Muzorewa's United African National Congress. Hot words are being exchanged between the branch and Byron Hove, who had a stormy three-week stint as Rhodesia's co-minister of Justice, Law and Order.

Barrister Hove was sacked at the instigation of Ian Smith and returned to London two months ago. He is once again at work in the courts, but Percy Murombe-Chivero, chairman of the UANC London branch, has launched a blistering, three-page attack on him in a party publication named "Focus on Zimbabwe." This charges him with "arrogance" and "opportunism," not to mention the sin of talking to journalists about his sacking before briefing the London UANC members.

Mr. Hove, angry about the attack, has complained to the UANC national executive in Salisbury. Unrepentant, Murombe-Chivero — who works for an examining board in London—says that Mr. Hove may be "disciplined" by the branch for refusing to meet it. The bishop will have to move warily to avoid a far bigger split. Dissension in the ranks is reflected in the attack on Mr. Hove, by this sentence: "As far as we are concerned, we should have pulled out of the so-called internal agreement not today but yesterday."

Sea spree

No longer will Belgian and French bargain shoppers have to brave the Channel. In a fortnight's time the Guernsey-based company, Channel Cruise Line, is launching its marine shopping arcade. An ex-Sealink ferry has been bought and reconverted for around £2m, to sail several times a day between Ostend and Dunkirk. On this £5 a head, three-hour floating shopping spree, returning by bus to their original port, passengers will be able to stock up with cashmeres and confectionery, shoes and smoked salmon, Burberrys and butter—all at British prices without VAT. Belgian customs say that goods costing up to £100 can normally be imported free of duty and VAT. Only on alcohol and cigarettes will usual duty allowances still apply.

The company's marketing management consultants, say that ships of this type already operate in the Baltic. They think the venture will not only provide a day's outing but also a promotion for British goods.

In the three days since the publicity started to appear in Belgium, 700 bookings have been taken for the first trip.

Spelling it out

Official "notes for guidance" on economic matters, prepared for the chairman of the European Council after its last meeting, stress the important role in international trade of "the GATT multilateral trade negations."

Observer

IE MOSS SIDE BY-ELECTION

BY PHILIP RAWSTORNE

Pointers for the PM

NCHESTER'S Moss Side tomorrow give Mr. James aghan one of his final nters to Labour's prospects in October general election. eat in this by-election would r him little hope of a return office. But Labour is confi- t that it will maintain its toral recovery here, by aring the party's critical ority with minority votes— t has done in the Commons.

the Liberals appear kely to check the swing to Conservatives, the Irish, t Indian and Asian voters capable of doing so.

he groups form a significant portion of the Moss Side torate—perhaps 15 per cent he 52,000 on the voting list. y have been a noticeable ence at Labour's campaign tings: a receptive audience the doorsteps. Conservative cies on Ulster and immigra- have stirred them to a tical resistance that could re decisive.

ocal Irish criticisms of the ernment's policies in the vince are still sharp, but nearly so fierce as the com- nity's reaction to the Tories' ewed overtures to the ter Unionists.

ut it is from the usually escent West Indians and ans — now well-established integrated in the area— Labour could gain the ngth to ensure its victory. r. Michael Foot this week less enthusiasm from his ience than a young West ian supporter who urged our voters to the polls to- row. "Margaret Thatcher played her colour cards, orange and the black, and n are going to be trumped." abour campaigner predicted. that confidence is fulfilled, Callaghan will gain sub- ntial reassurance about the ngth of his Government's backing in some 20 crucial city marginals.

Without a determined anti-Tory immigrant vote to tilt the scales, the outcome in Moss Side could be finely balanced. The 4,111 Labour majority of October, 1974 would be destroyed by a Conservative swing of 6.4 per cent, well within the margin of the party's by-election advances over the past two years. And the constituency shows enough evidence of political blight to suggest that Labour loyalties must have been seriously strained.

Moss Side covers a wedge of residential south-west Manchester; a typical urban cross-section that stretches from modern inner city council blocks across derelict and decaying Victorian terraces to genteel suburban semis and villas. Housing in the inner areas is a constant source of discontent. In the triple-decked crescents of flats, a planner's dream has turned sour. Protest is vociferous and is expressed, too, in graffiti and mute vandalism.

Further out, slum clearance and improvement schemes have failed to keep pace with the decay. In seven housing action areas only 500 of 7,000 homes have been brought up to standard. But the bulldozers have cleared the area of many of the small businesses that once flourished there, thus contributing to the 14 per cent rate of unemployment.

Mr. George Morton, the Labour candidate, faced with the task of defending his party's local as well as its national record, admits that mistakes have been made, but insists that the lessons have been learned. In one of the rotting streets, a shop poster says: "Watch out for special offers." But Manchester's Labour politicians decided well before the by-election to spend £14m this year on Moss Side's housing.

Criticisms are out of date, says a hopeful Mr. Morton. Families are being moved from the flats to new homes with gardens; single tenants are replacing them in the flats, where facilities are being redesigned. Mr. Morton, a local authority architect himself, is doubly identified with the problems.

Aged 38, he has been a leading member of the constituency party for some years, and has served two spells as a local councillor, losing his seat on the county council last year. As a political platform performer, he has been somewhat overshadowed by the supporting cast of Ministers and MPs recruited for the campaign. But though they tend to steal his lines and prompt his responses, his obviously good intentions draw their share of applause.

Leadership

Mr. Morton's defence rests squarely on "the merits of Mr. Callaghan's leadership" and the Government's admittedly limited success in bringing the country through its financial and economic crises. "The electors of this constituency will not allow Mrs. Thatcher to put the clock back," he says with conviction; a conviction which Labour claims is reinforced by the movement back to them in some local elections this year.

Certainly Labour's traditional supporters, though still grumbling, seem prepared to give the Government grudging credit for its efforts. Disaffection has been constrained, grievances that festered a year ago salved by a general sense of improvement, greater understanding, and concern about the alternative remedies offered by the Tories.

Mr. Morton has found less protest than before about prices; some anxiety but not yet dangerous despondency about unemployment.

"I am proud of Labour's record and its caring attitude," Mr. Morton says. Though no obvious pride or satisfaction swells the audience, it seems to have found some patience. With little available to inspire a more positive enthusiasm for its cause, Labour will have to count heavily on that patience if it is to resist the four-pronged challenge to its majority.

Mr. Tom Murphy, the Conservative candidate, has a strong base in the outer suburbs of Chorlton and Alexandra Park, where his blue posters sprout profusely among the laburnums and flowering cherries. Preceded by a colourful caravan, exuding cigar smoke and light music, he canvasses these leafy streets with assured casual professionalism. The response he wins leaves no doubt that the Conservative faithful will turn out in force tomorrow.

Born in the constituency and now an executive with a local engineering company, Mr. Murphy is the most voluble of the candidates, fluent in his prosecution of the Government's socialist sins. Aged 36, a former Young Conservative leader and deputy chairman of the local Conservative Association, he knows his party's mood and instinctively sounds his accord with it. At his Press conferences, his hands move expressively, fashioning a megaphone or a lectern from which to deliver his message.

The message that emerges — under the apparently equally benign gaze of the portraits of Churchill, Heath and Thatcher— is the uncomplicated text of the Tory Party's campaign handbook. Labour is to blame for inflation, unemployment, high taxes, and low living standards, debt, crime, and anything else that comes to mind.

Terry Kirk

Mr. Tom Murphy, the Tory candidate, pensively canvassing a pensive voter: The immigrants in Moss Side could be the key to the by-election.

His condemnation is strongly felt and effectively communicated. It should bring back the deserters from the Liberal camp, as well as enthuse the Tory ranks. The question is whether that will be enough.

Mr. Murphy, the Tory's housing spokesman on the City Council, sharpens the edge of his anti-socialism on the mismanagement of the council estates, hoping to cut away some of Labour's support there. But for the Tory conversions he seeks in the terraced no-man's-land of Lloyd Street ward, where loyalties are less secure, his call seems to lack the necessary appeal. The death penalty and a tough line on law and order may be one answer to one of the problems that he so vividly analyses, but he is a bit vague about specifics to cure the rest.

Unless the electorate of Moss Side is feeling distinctly worse than it outwardly shows, there are not likely to be many customers for a brand of Conservatism which is presented, even with superb salesmanship, as a magical potion that only has to be swallowed to work wonders.

From that extreme, the Liberals have gone to the other — prescribing remedies for every small blemish on Moss Side's neglected face. Mr. Peter Thomson, the Liberal candidate, embraces community politics with considerably more zest than he does the Lib/Lab Pact. His pamphlets invite new problems and offer action by return — to clear rubbish heaps, provide more litter bins, reprint telephone directories, hold down bus fares, create play facilities, plant grass, open new police stations.

Mr. Thomson's concentrated drive on such issues is hardly calculated to retain the suport of any Tory dissidents who joined the Liberal supporters at the last election. Nor is his bulky, bearded, chain-smoking figure calculated to inspire instant disciples on the Tory doorsteps.

Mr. Thomson, in fact, seems much less concerned about desertions from his party's right wing than eager for possible new recruits on its left. It was this that caused some Labour worries at the start of the campaign about his overall impact on the pattern of voting. Whether the Liberal vote collapses or draws fresh sustenance from Labour's own support, the threat to the Government majority would be equally serious.

Mr. Thomson's potential looked the greater for his work on the council estates as director of the Hulme Rights Centre.

"I am voting Liberal this time because Peter is a doer," one voter asserted. But Mr. Thomson's demands for the demolition of the council blocks, and a fresh start, strike some tenants at least as a too drastic solution to the expense of, say, their electric heating. Nor does it quite square with his parallel crusade against waste.

Still, in this year's municipal elections in Hulme, his popularity took him into second place behind Labour. His campaign is also organised by an agent who made serious inroads into Labour's majority in Newcastle Central, when he fought a by-election in similar style 18 months ago.

So Labour's belief that Mr. Thomson has been successfully contained, as the by-election has turned to national issues, is still tinged with caution.

He is not quite so easily dismissed as the National Front candidate, Mr. Herbert Andrew, whose instrusion has caused some scuffles but no real political disturbance. Excluded from the local school halls—a decision it is now fighting in the courts—the Front has been even more effectively cold-shouldered outside.

Nor does Ms Vanessa Redgrave and her Workers' Revolutionary Party pose much danger to Labour. Ms Redgrave inveighs against international capitalism and much else, with the air of one who believes totally in her script, but has not yet decided how she should play the part.

CANDIDATES

George Morton (Lab)
Tom Murphy (Con)
Peter Thomson (Lib)
Herbert Andrew (Nat Front)
Vanessa Redgrave (WRP)

OCTOBER 1974 RESULT

F. Hatton (Lab) 15,212
J. Lee (Con) 11,101
W. Wallace (Lib) 5,686
N. Boyle (Irish Civil Rights) 238
H. Smith (Prosperous Britain) 96

Labour majority: 4,111

Letters to the Editor

Rediffusion's auditors

m Mr. B. E. Basden.

r,—The proposal to remove outside auditors of Redif- on, the BET subsidiary, 42 cent of the equity of which is by a quoted minority, raises e important questions on the lance given to its own nbers by the Institute of rtered Accountants' ethical , and on the City's views in eral as to the role of the tor and his relationship with eholders.

nder the terms of our draft le we are told that it is no er acceptable for a Trustee any associate of a Trustee) a non-beneficial interest, ever small, in the share tal of a company to act as its tor. He apparently lacks the essary degree of independence ct impartially for all parties; the auditor with close profes- al links with a controlling eholder with just over half equity is considered ciently independent to safe- d the interests of a numerous fragmented minority.

is not difficult to see sions on which conflicts of rest may arise between the p and its outside minority in h the judgment of the tors could well be involved. rt from such questions as the ness of the group's policies regard to terms of trade and allocation of resources, who the subsidiary's auditors is in osition to comment on the t of group accounting ies (for example on deferred on the interests of the ority? In the event of a total over, who reports on the t forecasts of the bidder and ee company? Questions of kind do not appear to have answered in the announce- ts made by BET, who never- ss confirm that hitherto the idiary's auditors have given "devoted and expert care" to the subsidiary's accounts.

Again, under the terms of the proposed ethical code, an accountant is adjured to be careful to avoid situations in which a conflict of interest may arise or his impartiality may be impugned due to his professional relationship with one or more clients who have close dealings with one another. This rule affects his acceptance of not only on-going appointments such as audits or directorships, but the one-off investigation or consultancy. In the words of the draft guidelines ". . . should a conflict of interest become apparent then one or both of the conflicting appointments must be resigned immediately." Since the techniques of peer reviews of audit work are now well established, the practical effect of the Code must be to insist on any subsidiary with a significant minority interest having auditors independent of the firm which acts for its parent company.

At least, if the City is to pay more than lip service to the role of the auditor as a watchdog accountable to all shareholders and to the spirit of the ethical guide, no professional firm should be asked to act in a situation of potential conflict without the consent of all parties, which consent in the context of this appointment should be expressed by the minority in a separate vote.

The profession is in a quandary over the implications of much of its ethical guidelines designed to improve its status in the eyes of the investing public. It would befit a firm of Deloittes standing to set an example and ensure that its appointment to Rediffusion is by free election rather than by imposition—even at the risk of missing a notch up Michael Lafferty's league table (July 6).

B. E. Basden.
38, Finsbury Square, EC2.

he price of etrol

n Mr. J. Strafford

r.—Mr. Goodchild says (July hat it is not possible to judge the problem of wasteful petition between adjoining ets might equitably be re- d. I would submit that com- ion is about price, service efficiency and the market e will resolve the equitable ation.

creasing prices by collusion, voluntary or forced, creates els and once established they expand. I have just heard a meeting has been pro- d of all the garages in the at which it is to be ested that they all charge per gallon—a further ease at my garage of 4p per on.

rst of all the cartel is blished in one spot, then it rs an area. How long will it before it covers the whole try? Who will benefit then e public or the multinational orations?

E. Strafford.
rama," Fulmer Road, ards Cross, Bucks.

extiles and he EEC

n Messrs. I. MacArthur and rench.

r,—During the recent multi- negotiations between the and its overseas suppliers w-cost textiles and clothing, textile industry always took to present its arguments d on fact, not on question- conjecture.

is therefore disappointing to alarmist statements (Finan- Times report, July 4) claiming that the effect of these negotiations will be to increase clothing prices by up to 30 per cent.

May I remind your readers that the result of the negotiations has been to increase the total access of low-cost textile and clothing suppliers to the EEC and UK markets, with a guaranteed further increase every year until 1982? For example, total UK imports of shirts from low-cost countries amounted to 39m last year, compared with total access of almost 44m this year.

While there may be other grounds for increased prices, it is unjustified to blame a set of agreements whose aim was to safeguard employment in the EEC and increase export opportunities for the poorest developing countries.

Ian MacArthur (Director),
British Textile Confederation.
G. W. French (Chief Executive),
British Clothing Industry's Council for Europe.
24 Buckingham Gate, London.

Policy for ports

From the Chairman, British Transport Docks Board.

Sir, — I was naturally interested in the article by your Shipping Correspondent (July 10) of the present situation in the ports industry. I would, however, like to define my position on the structure of the industry rather more clearly.

I am very much opposed to unification, which could only mean the end of competition. In the British Transport Docks Board we are keen to see competition in the industry maintained, because we see this as the only real basis for improving efficiency. We are quite happy to stand on our own feet, and the figures quoted by your Shipping Correspondent show that we are doing that. Indeed, without being complacent the performance of BTDB is beginning to compare well with industry generally. We would like to see all our competitors doing the same. This must mean cutting out obsolete facilities and avoiding massive expenditure on grandiose prestige projects.

In short, I believe that the best future for the industry is for it to be dealt with on normal business lines with the emphasis on service and efficiency. We see no lasting advantage in "planning" for non-commercial activities.

(Sir) Humphrey Browne.
Melbury House,
Melbury Terrace, NW1.

What the police are paid

From Mrs. J. Lane

Sir,—I read with disbelief Mr. R. M. H. Griffiths' letter (July 10) on managers and police pay.

How dare he debase a police constable with 15 years experience as "having failed to gain promotion." Does he think the police forces in this country run entirely on police inspectors, and above. There are constables with less service, I grant you, but they hardly possess the experience which is so essential. So many police officers ("failed" or otherwise) have left or are leaving the police service due to pay dissatisfaction—particularly in the 12-15 years' service area.

I agree that salaries to middle management are not good—this is the fault of the pay policy—surely under normal circumstances most firms would have increased salaries commensurate with the merits, age or length of service, etc. as a matter of course. My particular firm has had its hands tied for some time now, so I know the problems.

My husband is a police sergeant with seven years' service (not one of Mr. Griffiths' "failures") and for around £4,000 a year, gross pay, he does shift work, has only one week-end off in four and risks his life every time he goes on duty—I hardly think any manager would settle for these conditions. No—leave our police force alone—no other job compares with it and whatever pay award is recommended they will still be way behind in the end.

Julie Lane.
108, Lent Rise Road, Burnham, Bucks.

A market for Lloyd's names

From Mr. J. Cowper.

Sir,—Your article of June 24 headed "Lloyd's dilemma" referring to too many people seeking membership of Lloyds and the possible implications of controlling admissions hinted at by Lloyd's chairman, Mr. Ian Findlay, at the AGM gives rise to the suggestion of creating a market in Lloyd's names. It seems that the rate of increase of new names is not matched by the increase in new business. This is unjust to the present names.

When a supply/demand situation arises a market is generally the equalising factor. The "show of wealth" requirement is no longer an inhibiting factor in that a council house is almost equal to the requirement of a mini name.

Executors and names whose circumstances have changed would surely welcome the opportunity to sell to a prospective new name whose tax position would welcome the purchase of an existing name of varying years maturity. Only Lloyd's could create such a market as they would want to adjudicate the worthiness of the purchaser. The purchaser would also want to know the backing and prospects of the syndicates contained in the name.

I feel Lloyd's would be creating a service to their present and future members and partly solve the dilemma of restricting membership in that sellers would be created which tends to damp down an over-expanded demand.

J. D. L. Cowper.
Fieldmoor, Gorse Hill, Virginia Water, Surrey.

Qualified audit reports

From Mr. M. Firth.

Sir,—The letter by Michael Barron (June 27) made some interesting remarks regarding my article (June 14) on audit reports and share prices. His major concern related to the impossibility of isolating a perfect control group (i.e., identical in every way except for one group receiving a qualified audit report and the other group receiving a clean audit report).

For "going concern" qualifications, the specific example raised by Dr. Barron, an attempt was also made (not reported in the original article) to match firms by similar debt/liquidity ratios. Although this could only be done for a small number of companies the results did show a significant difference in share price performance; firms with "going concern" qualifications fell considerably, firms with clean reports hardly moved at all. Additionally a number of firms receiving "going concern" qualifications had debt ratios similar to those in previous years —their share prices fell on average by around 4 per cent.

While it is impossible to derive a perfect control group, and especially for large samples, a lot of care was taken in the research. The results of the study are consistent with research from elsewhere which has shown that bankers react negatively to "going concern" qualifications (as well as "true and fair view" and "asset value" qualifications) in their lending decisions. The suggestion that audit reports should be released at the time of the release of the earnings announcement still stands: I would, however, also support the recommendation that the annual report itself should be released at the same time as the earnings announcement, if this is possible.

Leading accountants employed in professional practice and in industry have frequently publicised their subjective opinions on the usefulness of qualified audit reports and these have differed vastly. The research study reported in the article set out to provide some empirical evidence on the information content of qualified audit reports by looking at the impact of such audit reports on share prices in the mid-1970s.

Michael A. Firth.
Department of Accountancy and Business Law,
University of Stirling.
Stirling, Scotland.

Sell some treasures

From Mr. D. Finnett

Sir,—I would be interested to hear from Mrs. R. Epps how many members of the "general public" she believes would be able to take advantage of the "opportunity of adding to their collections" were our museums to auction some of their treasures as she suggests (July 7).

D. W. Finnett.
59, Egbert Gardens, Runwell, Wickford, Essex.

Today's Events

GENERAL

Prime Minister addresses National Union of Railwaymen's annual conference, Llandudno.

Mr. Cyrus Vance, U.S. Secretary of State, and Mr. Andrei Gromyko, Soviet Foreign Minister, begin two-day talks in Geneva on strategic arms limitation.

India holds sixth of seven fortnightly gold auctions.

PARLIAMENTARY BUSINESS

House of Commons: Consideration of remaining stages of Finance Bill.

House of Lords: Parliamentary Pensions Bill, second reading. Theft Bill (Lords), consideration of Commons amendments. Homes Insulation Bill, and Employment (Continental Shelf) Bill, second readings.

Select Committees: Science and Technology (General Purposes sub-committee). Subject: The Eleni V. Witnesses: East Anglian local authorities (10.30 am, Room 15). Expenditure (Trade and Industry sub-committee). Subject: Measures to prevent collisions and strandings of noxious cargo arriers in waters around UK. Witnesses: British Petroleum, Shell and Esso (10.30 am, Room 16). Unopposed Private Bill Committee: Tyne and Wear Passenger Transport Bill (4 pm, Room 9). Joint Committee on Consolidation Bills: Employment Protection Bill (Lords) (4.30 pm, Room 4).

COMPANY RESULTS

Final dividends: Associated Leisure; Bulmer (H.P.); ERF Holdings; Norton (W. E.) (Holdings). **Interim dividends:** Bonser Engineering; Countryside Properties.

COMPANY MEETINGS

Bishops Stores, Ruislip, Middlesex, 3. Brown Shipley, Founders Court, Lothbury, EC, 12.30. Brownlee, Glasgow, 12. Capper-Neill, Midland Hotel, Manchester, 11.30. Deritend Stamping, Droitwich, Worces., 12.30. Ever Ready, 1255, High Road, N, 12. Foster (John), Waldorf Hotel, WC, 12.30. Furness Withy, 14-20, St. Mary Axe, EC, 12. Goodkind (W.), 7-8, Market Place, W, 4. Highams, Accrington, 12.30. Hill (Philip) Investment Trust, 19, St. James's Square, SW, 2.45. Holt Lloyd International, Wilmslow, 3. Investment Trust, Bucklersbury House, EC, 10.45. Jersey General Investment Trust, Jersey, 11.30. Progressive Securities Investment Trust, 3, Moorgate Place, EC, 12. Rowton Hotels, London Park Hotel, SE, 12. Scottish European Investment, Edinburgh, 2.30. Twinlock, 100, Old Broad Street, EC, 11.30.

COMPANY NEWS + COMMENT

Wilkinson Match up 15.9% to peak £14.3m

PRE-TAX profits of Wilkinson Match rose by 15.9 per cent from £12.35m to a record £14.3m, on turnover up by nearly £10m to £192.3m, in the March 31, 1978 year.

Mr. Denys Randolph, chairman, says that much of the increase came from the UK, and there was a marked improvement in the group's international match and safety and protection businesses.

He adds that profits are in line with the forecast of some £14m, made at the time of the acquisition of True Temper, a wholly-owned subsidiary of Allegheny Ludlum Industries of the US which owns 44.3 per cent of Wilkinson's capital.

Although directors feel that trading conditions remain difficult, he says that the group should continue to make steady progress, and that the acquisition of True Temper will add further to growth. This will be particularly marked, he adds, in the second half because of the seasonal nature of the group's business.

At halfway, directors reported pre-tax profits ahead from £6.03m to £7.22m.

Difficulties were experienced in personal products, caused by a combination of considerable once-for-all costs in the shaving business in the U.S. and Italy, launch costs of new products in Australia and Germany, and increased spending on product development, the chairman explains.

Basic full-year earnings per £1 share are shown as 22.85p (20.18p) and 21.06p (18.83p) fully diluted. The dividend is increased from 8.31223p to 10p net with a final payment, based on a 33 per cent ACT charge, of 6.21823p. Directors say that if new legislation restricts dividends the maximum allowed will be paid.

	1977-78 £000	1976-77 £000
Turnover	192,310	182,698
Consumer Products	143,166	134,864
Matches, lighters	73,439	71,520
Personal products	46,281	41,121
Tools and housewares	8,413	6,577
Writing instruments	15,033	15,615
Safety, protection	26,748	25,116
Packaging	20,668	20,577
Other	2,057	3,865
UK	66,571	57,321
Western hemisphere	50,535	53,720
Europe	26,482	27,494
Africa and Middle East	25,236	26,861
Pacific	19,986	19,002
Operating profit	17,587	15,289
Consumer products	11,804	11,172
Matches, lighters	10,450	7,333
Personal products	773	3,362
Tools and housewares	971	252
Writing instruments loss	332	205
Safety, protection	4,074	2,452
Packaging	1,740	1,600
Other	169	65
UK	9,063	6,359
Western hemisphere	327	1,416
Europe	1,592	2,378
Africa and Middle East	3,785	2,048
Pacific	2,630	1,538
Interest	1,282*	2,943
Pre-tax profit	14,304	12,346
UK tax	2,556	2,095
Overseas tax	4,763	4,223
Net profit	6,985	6,028
Minorities	1,507	1,448
Extraordinary debit	779	14
Preference dividends	63	63
Attributable to ordinary	4,776	4,521
Ordinary dividends	2,236	1,844
Retained	2,120	2,677

* Credit.

See Lex

INDEX TO COMPANY HIGHLIGHTS

UDS looks for good increase

IN THE first 22 weeks of the current year, sales by UDS Group showed an increase in excess of 20 per cent over the same period last year, the chairman, Mr. Bernard Lyons, said at yesterday's annual meeting.

All divisions had produced significantly higher profits and he was confident that profit for the current half year would be well ahead of the same period last year. The outlook for the full year was "distinctly favourable," he said.

Record £1.6m at Ratners

AFTER A loss of £116,179 from the Netherlands, taxable profit of Ratners (Jewellers) climbed from £1.41m to a peak £1.59m in the April 6, 1978 year on turnover up from £11.23m to £15.8m.

At halfway, when profit was ahead from £0.38m to £0.42m directors anticipated a higher profit for the full year.

They now say sales in the current year have continued their upward trend and they therefore look forward to a further growth in profit.

They believe that the group's properties exceed the book value by some £2.65m, but this has not been included in the accounts.

After tax of £151,968 (£66,552) and extraordinary credits of £28,160 (£253,476) retained profit is shown down from £1.53m to £1.39m. Comparative figures have been restated for ED 19 and changes in the bases for depreciation.

Earnings per 10p share are shown at 7.96p (7.46p), and the second interim dividend of 0.10914p, based on a 33 per cent tax rate, takes the total from an adjusted 0.382347p net to 0.42669p. If dividend restraint is lifted a 1.91486p net final will be paid, and Mr. L. M. Ratner, Mr. J. M. Ratner, Mr. G. I. Ratner and M. Hussain intend waiving dividends if the final is paid.

● comment

Stripping out the start-up costs in Holland, pre-tax profits at Ratners are 21 per cent ahead which compares favourably with H. Samuel's 15 per cent increase in the year to January. The 41 per cent rise in group turnover reflects the success of Ratner's UK sales drive, but the big headache, is spiralling overheads which clipped margins particularly in the second half. Price rises should ease some of this pressure in the current year. Meanwhile the Dutch operation should at least break even this time although heavy depreciation charges will be felt in the current year. Ultimately the rewards in Holland could be great and may lead to further expansion in Europe. In the long term, growth in the jewellery trade depends on finding new sites in areas of high population density, and the UK will not provide these indefinitely. The shares fell 4p to 69p where they stand on a rating of 8.6 but yield less than 1 per cent.

Corning slumps to £0.32m

PRE-TAX profits of Corning, glass manufacturer, for the 53 weeks to December 4, 1977 slumped to £323,000 compared with a peak £2.88m for the previous year.

Turnover was ahead from £43.92m to £52.62m, excluding VAT, and profits were subject to a tax charge of £416,000 against £1.21m, leaving a loss of £93,000 compared with a £1.67m profit.

Directors state that there has been a change in accounting policy, and comparisons have been restated.

The ultimate holding company is Corning Glass Works of US.

Textured Jersey well ahead

PROFITS BEFORE tax of Textured Jersey rose sharply from £126,000 to £276,000 in the year to April 30, 1978, ahead of the February forecast of at least £212,000.

With first-half profits up from £82,000 to £106,000 the directors said results for the second half would not be less than those for the first six months. They now say that in spite of the current substantial increases in the price level of synthetic fibres, a material improvement in profitability is anticipated for the current year.

Earnings per 10p share are shown at 4.2p (2.9p) and the final dividend is the forecast 0.5p making 1p for the year—the group returned to paying ordinary dividends in February after an absence of four years.

Turnover amounted to £7.52m against £7.59m. Profit is struck after depreciation of £287,000 (£244,000), interest payable, £52,000 (£124,000) and before tax, £109,000 (nil). ED 19 has been adopted and corresponding figures have been amended.

The directors say the group improved significantly in 1977-78 both in terms of profitability and liquidity.

● comment

In spite of difficult conditions in the knitted fabric market, Textured Jersey has continued its recovery trend from the loss-making days of 1974 and 1975. Full-year profits have more than doubled and margins jumped by almost 3½ points to 4.6 per cent in the second half (10 per cent in 1973). Although there is still some way to go, the increase implies that the policy of diversifying out of the clothing sector into household fabrics — which has been showing annual profits growth of around 15 per cent for the past seven years—is proving successful. But jersey knit is still the company's mainstay and this is being supported by a range of new products to customers such as Marks and Spencer. Conditions remain tough, but the fact that TJ has survived the slump—which has put so many others out of business—means a potentially bigger market share for the future. A stronger cash flow is reducing borrowings and with current trading and standing orders both showing an improvement, TJ could make a full recovery in the current year. At 30p the shares are on a p/e of 7 while the yield is 5.1 per cent. This compares with 6.8 and 8 per cent respectively for the textile sector as a whole.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Danae Inv. Trust 2nd int.	1.75	Aug. 25	1.63	3.1	2.83
Gen. Consol. Trust ...int.	1.3	Aug. 7	1.2	—	3.73
J. & H. B. Jackson ...int.	0.5	—	0.41	—	0.91
Donald Macpherson ...int.	1.25	Sept. 4	0.94	—	2.63
Marling Inds.	0.63	Oct. 6	0.47*	1.13	0.9*
Neil & Spencer ...int.	1.15	Oct. 2	0.81	—	1.99
NMC Invs.	1.43	Sept. 4	1.3	1.43	1.3
Ratners ...2nd int.	0.2§	—	—	0.43	0.38
St. George's Laundry	0.28	—	0.14	0.56	0.42
Sec. Grt. Nthrn. Inv.	1.3	Sept. 13	1.16	2	1.76
Sec. Grt. Nthrn. Inv.	0.8	Jan. 15	0.7	—	2
Textured Jersey	0.5	Oct. 2	Nil	1	Nil
Utd. British Secs. 2nd int	3.19	Aug. 31	2.98	4.44	3.98
R. K. Watson ...2nd int.	1.28‡	—	1.14	2.38	2.14
Wilkinson Match	6.22‡	Oct. 1	4.93	10	8.31
F. Wrighton	1.08	Sept. 6	1.08	1.08	1.08

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Based on 33 per cent tax charge. § Final of 1.91486p net proposed if restraint lifted.

27.1% improvement by Macpherson at halfway

FOR the six months to April 30, 1978 Donald Macpherson Group, manufacturers of paint and other surface coatings, achieved taxable profits 27.1 per cent higher at £1.74m on turnover 12.5 per cent ahead at £31.6m.

Mr. Rex Chester, chairman, says that the results once again demonstrate the enhanced quality of group earnings and the merit of having a balanced spread of interests.

Looking to the second half he tells members that he foresees little change in the trading pattern for the year as a whole, and anticipates a further significant increase in profits and earnings per share. For the last full year the reported profit was £3.05m.

Half year earnings per 25p share are stated at 5.5p. For the corresponding period they were 4.6p basic and 4.4p fully diluted. The interim dividend is lifted from 0.9438p to 1.25p net and the directors say that if dividend restraint is released they intend to increase the total payment by more than 10 per cent. Last year's total was 2.63538p.

● comment

Donald Macpherson's first half pre-tax advance of 27 per cent owes much to the Montagu of Beaulieu TV ad campaign which gave a boost to the group's only retail brand paint Cover Plus. The success of the campaign meant that Woolworth's, the sole distributor of Cover Plus, had to stock up sharply as Macpherson exploited the increased level of DIY activity. That and fair demand from building maintenance schemes on the trade side accounted for most of the near £400,000 improvement in pre-tax profits. Elsewhere Unerman, the furniture hardware supplier acquired nearly two years ago, was a sluggish performer due to a depressed furniture cycle which has only just recently started to show any improvement. Overall the results at the half way stage comfortably exceeded the £1.4m to £1.6m market expectation and the shares rose 3½p to 69p. Macpherson could turn out £3.6m plus for the full year. On that basis the shares stand on a prospective p/e of 5.6 and yield 6.5 per cent covered over fourfold by prospective earnings; the group feels that over three times cover would be more appropriate. While the shares could be higher the rating is likely to take account of the highly cyclical nature of the business.

Halma's overdraft cut by property sale

BANK OVERDRAFTS at Halma have been reduced since the March 31, 1978, year end from £413,512 to £18,112 following the sale of a surplus property in Surrey.

The 1.5 acre property with a single-storey factory and a separate two-story office block was sold for £0.45m. The premises were acquired in March 1974 when it took over Fenton Byrn and Company for a consideration of £282,882. The Surrey property was included in the year-end accounts at £377,500.

The premises became surplus after the re-organisation during the March, 1977, financial year when the activities of Fenton Byrn were transferred to other group companies, Mr. David S. Barber, the chairman, says in a circular with accounts.

In his annual statement he says that subject to there being no major deterioration in the economy, further growth and a further advance in profits can be expected in the current year.

The group is well established in a number of carefully chosen markets, its overseas activities are expanding rapidly and it has considerable financial strength, he says.

As previously reported taxable profit for the year rose from £0.56m to £0.84m and the directors have decided to double the dividend to 1.398p if dividend restraint is lifted. This dividend is covered 4.6 times, Mr. Barber points out.

A current cost statement shows the profit reduced to £0.63m by additional depreciation of £0.21m and cost of sales of £83,000, offset by a gearing adjustment of £75,000.

Meeting, Dorchester Hotel, W, August 2, at noon.

Second half boost for Marling

STRONG growth in the second half left pre-tax profits of Marling Industries, industrial textile manufacturer, well ahead from £476,00 to £899,000 for the year to March 31, 1978.

At midway when an advance from £303,000 to £404,000 was reported the directors said indications were that the progress would continue.

Yearly earnings per 10p share are shown to have risen from 1.98p to 4.39p and the dividend is effectively increased from 0.90382p to 1.1298p with a final of 0.6298p net. The dividend is declared in anticipation that present dividend restrictions will be lifted before payment is due. If this is not the case then the final will be reduced to conform with regulations.

	1977-78 £000	1976-77 £000
Turnover	14,342	11,468
Pre-tax profit	899	476
Tax	456	277
Net profit	443	199
Extraord. credit	*241	47
Attributable	683	246

* Contains £186,470 being the release of provisions made in previous years for deferred tax liabilities no longer expected to arise.

Renold's resources adequate for needs

THE FINANCIAL resources at Renold are adequate for all foreseeable needs, Mr. L. J. Tolley, the chairman says in his annual report.

Despite inflation, the group's system of control of current assets, particularly of stocks distributed world wide, has resulted in the cash position continuing to be satisfactory.

The group's finances have been reinforced by an agreement with Lloyds Bank for a 10-year unsecured loan of £10m to be drawn as necessary to meet the costs of medium-term investments and for modernisation and expansion of equipment.

Since the end of the overseas financial year directors have completed the refinancing of group borrowings in the U.S. and have renegotiated facilities of $12m with American bankers.

For the year ended April 2, 1978, the group reported pre-tax profits of £10.37m against £12.37m, with a dividend of 9.441p (8.5442p). Sales amounted to £113.49m against £116.16m.

The chairman cannot forecast greatly improved results in the short term although he has no hesitation in expressing confidence in success over the medium term.

The group makes an ddistributes products for power transmission and mechanical handling. Meeting, Manchester, August 3 at 2.30 pm.

Vanbrugh unit price error

Vanbrugh Life Assurance, the unit-linked life assurance member of the Prudential Assurance Group, has admitted to error in the unit prices of its various funds. In its broker bulletin for July, it states that in the course of completing its 1977 accounts, it had discovered administration errors that had led to a small overstatement in prices.

With the exception of the Fixed Interest Fund and the Managed Fund, it is rectifying the errors by transferring shareholders' funds to support current prices so that no policyholder suffers.

But with the Fixed Interest Fund, the pattern of errors towards the end of 1977 and in the early months of 1978 resulted in policyholders who acquired units in this fund and in the Managed Fund during the period concerned being at a disadvantage. These policyholders are being allocated further units, with the cost being borne by shareholders. When the records have been corrected, the company will be writing to all policyholders stating the additional number of units involved. Where a contract had been terminated then the company will be sending an additional remittance.

The company has reviewed its working methods to ensure that this error will not be repeated. But it admits that it will take some time to review transactions.

J. Jackson turns in small rise

FIRST-HALF pre-tax profits of J. and H. B. Jackson, iron, steel and non-ferrous merchant group, were little changed at £1,198,000 for the half year to March 31, 1978, compared with £1,160,000 last time.

On the full year's outcome, the directors say they confirm their statement made in December 1977, and expect that profits will be modestly in excess of the record £2.29m for the whole of the 1976-77 year, without taking into account profits on the sale of quoted investments.

Some £453,000 profits were realised on quoted investment sales for the nine months to June 30, 1978, against £176,000 for the full 1976-77 year.

Pre-tax profits were struck after loan stock interest of £14,000 (£15,000) and were subject to tax of £623,000 (£603,000). This left a net profit of £575,000 against £557,000.

Stated earnings per 5p share are 2.38p (2.31p) for the six month period, and the interim dividend is increased to 0.5p (0.40625p) net—last year's final was 0.50125p. Two directors will waive their dividend rights on the interim in respect of 3.2m shares.

ISSUE NEWS

Pitman raising £1.5[m] in preference

A CAPITAL reorganisation is proposed by Pitman. This includes the variation of the rights attaching to the existing preference shares and the placing of new 10 per cent cumulative preference shares that will raise £1.5m to reduce short and medium-term borrowings.

Under the proposals, the 3.5 per cent preferred ordinary shares of 50p and the deferred ordinary of 50p (owned principally by the Pitman family) will be merged into designated ordinary shares of 50p.

In addition, the 3.85 per cent redeemable cumulative preference shares of £1 each will be redesignated as 10 per cent cumulative preference shares of £1 each and holders will receive an increase in income from 3.85 per cent to 10 per cent net.

Additional rights to be attached to the existing and new preference shares are that the preference shares will be irredeemable, they will carry the right to vote at general meetings only in restricted circumstances and that no further preference shares may be issued, nor may the borrowing powers be increased without the consent of the holders in separate general meeting.

The proposals also include a scrip issue to the present holders (the Pitman family) of preferred ordinary and deferred ordinary shares of 639,750 new preference shares, ranking pari passu with the existing preference shares after the variation of rights.

Arrangements have been made for those new preference shares which holders do not wish to retain to be conditionally placed for cash.

The new preference shares —1.5m—have also been conditionally placed at £1 each. They will rank pari passu with the existing preference shares.

As a result of these proposals, which will be considered at meetings on August 3, the issued capital will be increased from £281,620 to £5.45m.

The directors say that the proceeds of the issue, combined with the increase in capital, will result in a significant improvement in the group's gearing, and will provide a firm basis for expansion.

Pitman's interests include the Pitman shorthand and secretarial colleges, publishing, printing and book distribution.

The proposals have been devised in conjunction with Morgan Grenfell and Montagu, Loebl Stavley.

BRITISH TAR

British Tar Products announces that acceptances have been received in respect of 1,342,144 new ordinary shares (about 92.6 per cent) of the total number of new ordinary shares offered by rights and provisionally allotted on June 16.

New ordinary shares not taken up by provisional allottees or their renouncees have been sold and the net proceeds resulting at 9½p per new ordinary s[hare] after deducting the issue [...] and expenses of sale will [be] remitted in due course to provisional allottees ent[itled] thereto pro-rata to their hold[ings]. However, in cases where such proceeds amount to less tha[n] per holding they will be reta[ined] for the benefit of British [Tar] Products.

HARTWELLS GROUP

Hartwells Group annou[nces] that 1,612,254 ordinary s[hares] (92.7 per cent) of the 1.73[...] shares offered by rights [have] been taken up.

The remaining 126,913 sh[ares] have been sold at a premium [over] the issue price.

The net proceeds rea[lised] (after deduction of the [sub]scription price and se[lling] expenses) will be distribute[d to] shareholders entitled thereto.

YEARLINGS FAL[L] TO 10%

The coupon rate on this w[eek's] batch of local authority yea[rling] bonds has dropped from 10[...] cent to 10 per cent. Issue[d at] par, they are due on July 18, [...]

The issues are: Lo[ndon] Borough of Tower Hamlets (£[...]) Strathclyde Regional Cou[ncil] (£1m), City of Kingston Upon [...] (£1m), Tendring District Cou[ncil] (£0.5m), Cambridge City Co[uncil] (£0.5m), Borough of P[...] (£0.5m), Stafford Borough C[oun]cil (£0.5m), Borough of Sun[der]land (£1m), City of Glasgow [Dis]trict Council (£2m), Borough [of] Scunthorpe (£0.25m), C[...] Point District Council (£0.[...]) Reigate and Banstead Dis[trict] Council (£0.75m), City of [Man]chester (£1.5m), North [West] Leicestershire District Cou[ncil] (£0.75m) and Gwynedd Cou[nty] Council (£0.75m).

Four-year bonds of £0.5m [are] being issued at par by [...] Valley District Council, carr[ying] a rate of 12 per cent due July 7, 1982, while variable [rate] bonds are being issued at par [by] Suffolk County Council (£0.[...]) Leicester City Council (£1m) [and] Bolton Metropolitan Boro[ugh] Council (£1m), due on July [...] 1983.

SKETCHLEY

Sketchley announces that [in] respect of the 2,497,195 new o[rdi]nary shares offered by rights [at] 92p per share on the basis [of] one-for-five applications h[ave] been received for 2,314,062 sha[res] (92.67 per cent).

The balance has been s[old] through the market at a premi[um] which will be distributed pro-r[ata] to shareholders entitled there[to] except that no payment will [be] made for amounts of less than [...]

Laurence Gould placing

Laurence Gould and Co., a specialist farming consultancy with clients such as pension funds, is arranging for a private placing of shares through Foster and Braithwaite.

Under the placing, investors will provide £132,670, of which £75,000 will accrue to the company and £57,670 to existing shareholders. Investors will pay £5 each for 26,534 ordinary shares of £1, amounting to 29.5 per cent of the shares in issue.

The company, which expects its fee income to reach £1.25m this year, manages 225 farms in the UK. Its overseas business at present accounts for 55 per cent of its income.

The company believes that profit prospects for UK farmers have improved substantially as a result of alignment with European price structure and revaluation of the Green Pound.

For 1978 the half-yearly figures support the directors' forecast that profits will almost double to £125,000 before tax. They anticipate that profits will continue to grow through 1979 and into t[he] early 1980s.

ROTORK SCRIP

Rotork, manufacturers of val[ve] control equipment, is proposing [a] scrip issue of preference a[nd] ordinary shares in order to gi[ve] a more conventional balan[ce] between the issued capital a[nd] capital employed.

The proposed scrip is on t[he] basis of one preference share f[or] every six ordinary shares and o[ne] new ordinary share for each ordi[nary] share held.

The issued capital will be in[creased] from £929,000 to £5.4[...] against the total issued capit[al] and reserves of £7m.

The directors say that the pr[o]posed issue of preference shar[es] will also give ordinary shar[e]holders the opportunity [to] increase their income from the[ir] investment in the company o[r] alternatively, to realise a part [of] their investment by disposing [of] their preference shares withou[t] reducing their proportional equity holding.

Wrighton picks up

A STRONG recovery in the second half from £178,100 to £305,589 by F. Wrighton and Sons (Associated Companies), furniture maker, produced profits of £328,000 at the end of the year to March 31, 1978 compared with £346,000 in the previous year.

When reporting midway profits of £22,411 against £167,900, the directors said results for the second six months should show an improvement.

Earnings per share are shown at 2.91p (2.13p) and the dividend is held at a single 1.083p payment.

Turnover for the year is £8.61m against £8.33m. Tax charge is £192,000 (£245,000) and £82,000 (£47,000) is retained.

In the current year, costs of installation of displays and computer development expenditure have been written off as incurred. Comparative figures have been adjusted to reflect this. The effect of the change in basis on pre-tax profits is not material, the directors say.

Progress for Neil & Spencer

AS EXPECTED, in April, higher sales and profits are reported by Neil and Spencer Holdings for the half year to May 31, 1978, and the directors anticipate that further progress will be made in the second six months.

Sales in the first half rose from £4.71m to £6.86m and profits were higher at £363,000 against £281,0[00] before tax of £189,000 (£140,000).

The interim dividend is increased from 0.8125p to 1.15p and the final will be reviewed in the light of dividend restraint legislation. Last year's final was 1.184p when pre-tax profit was £717,000.

The group makes, sells and services dry cleaning, laundry and textile machinery.

IN BRIEF

CALOR GAS HOLDING COMPANY—Results for the year to March 31, 1978 already reported. On a current cost basis pre-tax profits are shown at £7.59m (£8.37m), after adjustment for depreciation £4.7m (£4.42m), interest £1.03m (£0.44m) and gearing £156,000. Net current assets £10.56m (£13.38m). Chairman Mr. D. H. de Trafford is confident that the company will do even better in the current year. Statement of source and application of funds shows a £7.43m (£2.08m increase) decrease in net liquid funds. The ultimate holding company is Imperial Continental Gas. Meeting, 2, Devonshire Square, E.C., on August 2, at 10.30 a.m.

RAWLINSONS CONSTRUCTIONS GROUP—Results to March 31, 1978, previously reported. Fixed assets £0.23m (£0.17m), net current assets £2.03m (£1.57m). In the short term there will be a substantial profit reduction as industrial property portfolio is built up. Meeting, Stockport, Cheshire, July 31 at noon.

TRIPLEX FOUNDRIES GROUP—Results previously reported. Fixed assets £8.99m (£8.01m), net current assets £3.02m (£2.73m). Increase in bank overdrafts £0.29m (£0.11m). Current cost profit reduced from £2.69m to £2m by depreciation £0.38m, cost of sales £0.29m and gearing £0.11m. Meeting, Tipton, August 3, noon.

Pilkington spending will reach £100m

TRACTED AND authorised :al expenditure at Pilkington hers for the current year is ahead from £28m last time :99.7m it is shown in the unts.

r Alastair Pilkington, the :man, says in his annual :w that a particularly note- hy decision in the last year the investment of £70m in a float glass plant at St. Helens, h will help the group main- its competitive position.

is also investing £10m in a :y glass plant in Nigeria to r that country's growing or industry.

total of £13.5m has recently invested in the manufacture aminated windscreens, and a additional investment in the Twenty screen has been com- ioned to increase production.

: previously reported with a for-one scrip issue, taxable :t of the group increased from 'm to £71.7m in the March 1, year. A current cost state- t shows this reduced to £64.7m .2m) by additional deprecia- of £20.3m (£15.9m) and cost ales of £10.6m (£9.8m), offset £3.6m (£3.3m) gearing adjust- t.

. year end net current assets : up from £107.4m to £135.5m fixed assets from £332.5m to .4m. There was a £21.1m ease (£11m decrease) in net id funds in the period.

ie group has commitments to certain pension rights of loyees of £3.4m over the next n years, and certain subsidiary panies have commitments of m over the next 15 years.

eeting, St. Helens, September : 2.30 p.m.

V. Williams reduced demand

THE annual meeting of Williams and Sons (Holdings). chairman, Mr. Hiram Williams, that since April there had a reduction in demand from of the company's major omers in the motor trade, and was given to understand that as unlikely that any signifi- uplift would take place until tember. While this had cted two of the non-ferrous idries, the company had aged to maintain five-day king in both plants.

ie tooling company formed in ruary of this year was slowly blishing itself in the area.

South Africa, the Board was endeavouring to obtain the rn of funds to the UK arising the sale of the half-share Dialoy Africa. While he was eful that some success would be achieved, Mr. Williams envis- aged that the bulk of the funds will be locked in that country for some years. But reasonable divi- dends should be receivable from reinvestments.

Kelvin Watson up to £0.56m

A SECOND-HALF profit of £336,629 against £202,898, boosted pre-tax profits of R. Kelvin Wat- son, optician, to a record £555,030 for the March 31, 1978, year com- pared with £342,581.

The directors say there were improvements in all divisions, and that they are confident the company has returned to its pre- vious path of progress.

Turnover for the year was ahead from £3,064,219 to £3,597,108 and net profit emerged as £264,701 (£158,267) after tax of £290,329 against £184,314.

Earnings per 10p share are shown as 8.82p (5.28p) and the directors announce a second interim dividend of 1.283p (1.138p) making the total 2.383p (2.138p) net. The second interim is based on a 33 per cent ACT charge and directors say, if legis- lation permits, that a further dividend will be paid for the year.

Mr. G. K. Watson, the chair- man, Mrs. H. Watson and Mr. C. E. Bloodworth have waived their dividend rights on 1,211,456 shares.

The company has reached com- pletion of an agreement with the National Research and Develop- ment Corporation to establish a major joint project for the development and marketing of a new continuous wear soft contact lens.

General Consol. Trust up midway

Gross revenue of General Con- solidated Investment Trust im- proved from £629,806 to £700,330 in the half year to June 30, 1978. Net earnings for ordinary were higher at £356,396 against £316,236.

Earnings per share are shown at 1.92p (1.71p) and the interim dividend is stepped up from 1.2p to 1.3p, costing £241,153 (£221,665). Last year's total was 3.75p when gross revenue was £1.4m and net earnings £726,802.

Gross assets at valuation after the ordinary dividend amounted to £23.07m (£21.53m) and net asset value per ordinary is 108.2p against 101.6p. After loan stock conversion, net asset value is 108p (101.4p).

	Half-year 1978 £	1977 £
Gross revenue	700,330	629,806
Franked	467,605	349,947
Unfranked	232,725	279,659
Administration expenses	36,024	34,050
Interest charges	85,344	70,448
Corporation tax	46,735	51,258
Tax credit†	155,986	120,939
Preference dividends	6,625	6,625
Net earnings	356,396	316,236

† On franked income.

3.1p from Danae Trust

FROM GROSS revenue of £505,544 against £510,925 last time, taxable revenue of Danae Investment Trust rose from £461,802 to £466,834 in the May 31, 1978 year.

After tax of £161,229 (£162,564) and minority interests of £62,697 (£96,465) attributable profit was £242,908 (£202,773) and earnings per 50p income share are shown at 3.47p (2.9p).

A second interim dividend of 1.75p net in lieu of a final pay- ment, takes the total from 2.831p to 3.1p net.

Net asset value per share is shown at 40.68p (29.88p).

No dividend at Tranwood for some time

Tranwood Group, hosiery and packaging, is unlikely to pay dividends for an indefinite time.

Mr. Maurice James, the chair- man, says in his annual statement that although the company may continue to be profitable, it will be essential to conserve resources so as to reduce its deficit of net tangible assets of £196,418 and, in particular, to reduce its indebted- ness.

Accordingly, while the company, by virtue of the agreements approved by shareholders and the loan stockholders of Benson on June 1, 1978, has now survived the threat of liquidation, he is unable to predict when it may be possible for it to return to the dividend list.

In this context, it must be remembered that the company's only interest from which it can derive an income is that of its ownership of Benson's Hosiery (Holdings).

Inevitably, the company con- tinues to depend upon the financial and management support of Maurice James Industries, and will do so for some considerable time to come, he says.

Good start for MK Electric

THE YEAR at MK Electric Hold- ings has made a good start, the group has a heavy load of orders and its plants are operating at record production levels, Mr. D. L. Robertson the chairman, says in his annual report.

But with world trade unlikely to recover in the near future and with doubts about the revival of the UK economy it is difficult to express unqualified optimism, he says.

On the Singapore operation, which began production in June last year, Mr. Robertson says that although in the latest year the operation broke even, a significant profit contribution is expected in the current year.

The 40 per cent owned Kuwait operation is however not expected to reach profitability until the end of the current financial year.

As previously reported taxable profit in the April 1, 1978 year dipped from £6.17m to £5.95m from turnover up from £31.29m to £38.78m.

The Ega Group was acquired in the year and contributed a £0.67m profit. Mr. Robertson believes there is considerable scope for further growth in its sales of plastic conduit and trunking. Ega is expected to make an important contribution to future prosperity.

At year end net current assets are shown at £9.24m (£8.99m) and fixed assets at £14.82m (£12.17m). There was a £2.14m decrease in net liquid funds against a £0.43m increase.

A current cost statement shows the pre-tax profit reduced to £3.81m (£4.01m) after additional depreciation of £0.98m (£0.88m) and cost of sales of £1.29m (£1.35m), offset by a £144,000 (£74,000) gearing adjustment.

Meeting, Abercorn Rooms, EC, August 3 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Bonser Engineering, Country- side Properties.

Finals—Allied Colloids, Associated Leisure, ERF, Hollas, W. E. Norton, Jacksons Bourne End, Raybeck, Rota- print, S. W. Wood.

FUTURE DATES

Interims—	
AC Cars	July 26
Associated Fisheries	July 20
Berisfords	July 20
Bullough	July 20
Carliol Investment Trust	July 21
General Funds Investment Trust	July 13
Plantation Holdings	July 19
Queens Moat Houses	Aug. 29
Tyneside Investment Trust	July 21
Finals—	
Black Arrow	July 19
Denbyware	July 27
Ferguson Industrial	July 13
Gordon and Gotch	July 20
LRC International	July 19
Provincial Cities Trust	July 20
S. and U. Stores	July 17
Town and City Properties	July 14

Improved profit from Fuller Smith

Despite a poor summer and a damaging industrial dispute, Fuller Smith and Turner improved taxable earnings for the year to March 31, 1978 from £1.02m to £1.19m. Demand for the company's beers continued to rise and total turnover was up 19 per cent at £15.55m against £13.09m last time.

At halftime profit was ahead at £587,981 (£515,382) and the direc- tors forecast a small improvement for the 12 months.

The group will be faced with the disruption of building opera- tions for the next few years and as a result there is bound to be a temporary slowing up of expansion says Major L. J. Turner, the chairman. He expects a satisfactory result for the current year.

Of the attack on the tied house system made "by people with political motives," he warns that any radical alteration of this system is bound to lead to higher prices.

Stated earnings per £1 share for the year were 27.53p (22.51p) on capital increased by scrip issued and a net final of 2.8 per cent takes the total to 5.8 per cent., equivalent, with tax at 33 per cent, to a gross of 8.69 per cent (7.91 per cent). The company has close status.

Year end liquid funds were up £40,372 (£33,471) with bank over- drafts lower at £281,893 (£313,331). Capital commitments amounted to £3.47m (£382,000) of which £2.95m (£227,000) had been authorised but not contracted.

As known the Board is pro- ceeding with a £3m development of the brewery spread over the next three years to be financed in part by the sale of properties and from retained profit, and in part by the issue of £0.75m deben- ture stock. The project will increase the brewery's potential output by about 50 per cent.

During the year the company opened two new houses and made extensive alterations to five others. The catering company produced excellent results, the wine spirits division had a good year but off-licences showed a small downturn.

	1977-78 £	1976-77 £
Sales	15,554,000	13,090,000
Profit in trading	1,304,676	1,166,912
Interest	115,173	149,233
Pre-tax profit	1,189,503	1,017,679
Tax	585,502	520,503
Net profit	604,001	497,176
Extraord. credits	90,334	44,635
Pref. dividends	16,800	16,800
Attributable	679,535	525,011
Ord. dividends	123,726	110,927
Retained	555,809	414,084

Near £2m. at United British Secs.

With gross income up from £3.09m to £3.36m, available revenue of United British Securities Trust rose from £1.79m to £1.99m in the June 30, 1978 year.

The result is after tax of £1.24m (£1.18m), and earnings per 25p share are shown at 4.44p against 3.98p last time.

The second interim dividend of 3.19p lifts the total from 3.975p to 4.44p net.

Further growth forecast for Anderson Strathclyde

. R. H. Thorpe, chairman of erson Strathclyde, tells mem- in his annual statement that is confident of a further nce being made in the current

the year ended March 31, group pre-tax profits eased from £3.27m to £3.97m h the chairman says indicates the group is moving forward n after the consolidation e and the slight dip in profits year. Turnover at £46.77m ed an increase of £16.2 per an increase in volume being eved, as predicted, in the nd half.

ading in the home market in ng products improved ughout the year due in part he NCB's introduction of a luctivity scheme, and is ected to continue with a strong and for spare parts and a ing in of the group's latest hines.

exports the group has main- ed its share of available ness during a very quiet od, but the markets in China the U.S. in particular, could begin to recover very soon.

The group's industrial products face very strong competition in a world-wide economic situation adversely affecting total demand. Additional effort is being applied to these products so that growth prospects can be better identified in these areas and subsequently realised when the economic climate permits.

The chairman says that a de- cision was made to increase bor- rowing facilities by a medium term loan in part to allow manu- facturing in advance of firm orders, which activity helped to lift turnover in the latter part of the year. This caused an in- crease in interest charges although actual borrowing still remains well within present faci- lities. At the year end bank over- draft and acceptance credit stood at £2.78m (£1.08m).

The year's profits were attained despite disappointing results from activities in the U.S. In a year in which the group under- took a major expansion in pre- mises there occurred the longest ever mining strike. Business was severely curtailed and a small loss was shown. The facilities set up are now functioning and pro- vide the opportunity to take in- creasing advantage of a major potential market for mining pro- ducts.

The group has decided not to publish a current cost statement on the Hyde basis. The directors feel that to deduct cost of sales adjustment before arriving at the operating profit in a CCA statement would unreasonably and materially distort the profit of the group.

In recognition of the need to keep plant modern and up to date the levels of purchasing and leasing of fixed assets were in- creased in 1977 and 1978 to some £2m in each year and it is in- tended to spend a similar amount in the current year. This com- pares with depreciation, calcu- lated in accordance with the in- terim recommendation of £1.4m, an increase of £599,000 over the historical charge for deprecia- tion in the accounts.

Meeting Glasgow, August 3 at noon.

Edbro order book rising

ne current year for Edbro ldings) looks promising with rs coming in at a reasonable , substantially above that of a ago, Mr. L. V. D. Tindale, the rman tells shareholders.

e will be disappointed if he is presenting results for 1978-79 h improve on the previous together with substantial ress in developments which ribute to the basis of future itability.

ne balance sheet continues to strong, the chairman says. Net t term borrowing has risen ely as a result of the purchase the Wythenshawe warehouse also because companies ired during 1977-78 them- es carried some element of t term borrowings.

ish flow also remains satisfac- . Although short term borrow- do not give rise to any ety, the directors are giving ideration to the possibility of ing these on a long term basis.

or the year ended March 31, , profits before tax were 3m against £3.61m, from turn- of £26.73m (£22.74m). The lend is a maximum permitted 6.3145p (5.6544p) and if free from constraint, the directors will declare a second interim dividend of 2.7156p.

A current cost statement shows pre-tax profit reduced to £2.72m after depreciation adjustment of £248,000, cost of sales, £777,000 and gearing, £87,000.

Excluding those companies purchased during the year, the second six months produced a record pre-tax profit of £2.171m compared with £1.133m for the first half year and £1.833m for the corresponding period of last year. The chairman says this is highly satisfactory, particularly when the changes caused by exchange rate fluctuation are taken into account.

These differences, arising particularly on sales to dollar and dollar related territories, account for some three-quarters of a million pounds in sales revenue and very nearly the same figure in profit terms when the year is compared with its immediate predecessor.

Development continued at an expanded pace and a number of separate projects which had been under discussion for some time all came to fruition in a remarkably short space of time, says Mr. Tindale.

Bolton factories saw completion of the installation of new line for the production of displacement tipping gear rams and a new warehouse on the outskirts of Manchester was acquired thereby releasing space in the Bolton factory for further development.

The UK land and buildings were revalued at May 31, 1978 at £3.82m compared with net book value of £2.796m.

The group trades as a maker of hydraulic shipping gears, commercial vehicle bodies, metal crushers, balers, hydraulic pumps, etc.

Meeting, Charing Cross Hotel, Strand, August 24 at noon.

Second Great Nthn. earns and pays more

Pre-tax revenue of Second Great Northern Investment Trust rose from £568,506 to £663,074 for the May 31, 1978, year.

The dividend is stepped up to 2p net per 25p share, against 1.76p, with a final of 1.3p (1.16p). Also announced is an interim payment of 0.8p (0.7p) for the 1978-79 year.

Holders of "B" ordinary shares will receive a capitalisation issue equivalent in asset value to the final dividend, and the interim for the current year, but excluding any tax credit.

Attributable revenue came out at £372,150 (£315,056) after tax of £271,874 (£234,200) and preference dividends £19,250 (same).

Earnings are shown as 2.04p (1.74p) per share and 2p (1.69p), assuming full conversion of the "B" ordinary shares.

A geographical distribution of equity investments as at May 31 shows, in percentage terms; U.S. 44.2 (40.2); UK 31.5 (34.3); Japan and Asia 17 (18.4); Europe 3.3 (2.7); Brazil 1.5 (1.2) and others 2.5 (3.2).

STREETERS OF GODALMING

Finding out the hard way

BY TERRY OGG

The annual meeting of Streeters of Godalming lasted just 14 minutes yesterday, undisturbed by any questions from shareholders. The mood was set by the chairman, Mr. E. A. Streeter, who at the opening of the meeting restricted questions to matters concerning the UK operations.

This ruled out discussion of Monday's announcement of a "*marked deterioration*" in the group's 40 per cent-owned Saudi Arabian associate company since the annual report was issued on June 13. In its accounts, Streeters said that "prospects in Saudi Arabia are much improved." But on Monday it reported that a contract in Riyadh had been drastically cut back, reducing the share of work expected by the associate from £10m to between £3m to £5m. And problems over work permits were leading to serious production problems.

The only comfort which Mr. Streeter had to offer yesterday was that "material information will continue to be announced and circulated to shareholders at the appropriate times." But he said that he did not consider it would be advantageous for the subject of Monday's announcement to be a matter for what at that stage would be "premature and prejudicial" discussions.

Negotiations with majority shareholders in Saudi Arabia are reported to be at a delicate stage. Their outcome could lead to a "drastic reappraisal" of the value of Streeters' investment in its associate, and of the plant leased to it. That, in turn, would have a major impact on Streeters' balance sheet.

As at the end of last December, Streeters' investment in its associate amounted to around £570,000, and the group had a further £983,000 of plant in Saudi Arabia leased to the associate. This compares with total shareholders' funds for the group of £1.9m.

However, the picture is not quite that bleak. The balance sheet also contains a provision of £1.1m for deferred tax, which would bear part of any write-off on the leased plant. In addition, the group owes a net £500,000 or so to the associate. If the worst happened, potential write-downs on Saudi Arabia may be no more than about £1m.

But there are two further uncertainties. Streeters has guaranteed a loan of some £830,000 to the associate. And contingent liabilities include claims of £475,000 arising from transactions in Saudi Arabia. Directors are confident that these can be disposed of without material cost.

This is not the first time that Streeters, a public work contractor specialising in sewerage and pipeline construction, has run into trouble as a result of difficulties with one or two large contracts. In 1967, two years after it went public it ran into the red when work in Coventry went sour. Again in 1974 it produced a loss as a result of a "sudden and unexpected downturn" in the UK workload.

Like a number of other contractors faced with a shrinking order book at home, Streeters saw the Middle East as a potential profit spinner. With the dramatic growth in construction activity following the oil price increase, Saudi Arabia was a powerful magnet. The total cost of projects to which the Government has been committed during the current five year plan has been put at £44bn.

However, relatively few UK companies have attempted to tap this market. In a timely note last December, brokers E. B. Savory Milln and Co. listed the reasons for this generally cautious approach. There are many well established local contractors, some of which are comparable to companies of Wimpey's strength. There is already a close relationship with the U.S. Tender conditions are onerous with on-demand bid, performance and retention bonds and on insistence on fixed price contracts. And there are also immense social, physical and administrative problems — as Streeters seems to be finding to its cost.

After reporting profits in the first year of operations, Streeters met mounting problems on a sewerage contract in Jeddah, involving secondary house connections to main drains. Last winter Savory Milln suggested that it was having difficulty securing further work contracts: by June, work had started on the £10m contract in Riyadh, but this has now been slashed back. The shares stand two fifths below the year's high point at 22p where the market capitalisation is £1.4m.

MINING NEWS

Jump in quarterly gold profits

BY KENNETH MARSTON, MINING EDITOR

BOOSTED profits for the June quarter are announced by the gold producers in the Consolidated Gold Fields group. While the price of bullion during the period was only a little above the average of $173 per ounce received by the mines in the previous three months, the higher profits reflect a once for all bonus arising from South Africa's new arrangements for the payment of gold delivered by the mines.

Previously, the mines were paid the official price of $42 on delivery and later received the premium obtained on the subsequent sale of the gold. This resulted in a time-lag of one to two weeks. As from April 11, however, the mines receive a market related price at time of delivery. Thus the revenue received in the past three months has included the premium due on part of the gold delivered in the March quarter.

The beneficial effect on the past quarter's profits is most marked in cases of the more marginal mines. Venterspost, for example, made a net profit in the March quarter of only R123,000 and this after the receipt of R1,197,000 state aid.

In the past three months, however, the net profit has spurted to R1,525,000 after a repayment of state aid amounting to R139,000. In this case matters have been also helped by higher production resulting from an improved gold grade. Vlakfontein's profit has jumped by 179 per cent.

Kloof also comes out well, especially as operations were restored to normal following the underground fire. Higher production coupled with lower costs and the gold payment bonus have lifted the past quarter's net profits by 46 per cent. Earnings of Doornfontein have risen by 47 per cent in the past quarter but those of the high grade West Driefontein show a more modest gain of 20 per cent.

The latest quarterly net profits are shown below.

	June qtr. R000	March qtr. R000	Dec. qtr. R000
Doornfontein	3,916	2,588	2,780
East Driefontein	23,046	20,446	25,147
Kloof	11,134	7,643	6,325
Libanon	4,921	3,383	4,135
Venterspost	‡1,525	†123	†1,058
Vlakfontein	436	136	*136
West Driefontein	26,715	22,133	23,703

* Loss. † After receipt of State aid. ‡ After state aid repayment.

Libanon, which reports a 27 per cent gain in the past quarter's net profit, warns that the lower grade areas of the mine will soon become available for mining and this will reduce the value of the ore reserve which thus becomes more vulnerable to rising costs.

The reserve is currently estimated at 1.79m tonnes at a grade of 20.7 grammes gold the basis of a gold price R4,200 per kilogram ($150 p ounce) compared a year a with 2.18m tonnes at 18 gramm on the basis of gold at R3,500

SUNGEI BESI DOING WELL

Malaysia's tin-producing Sung Besi, which is now enjoying bett times after a somewhat chequer career, is expected to again crease production in the curre year to next March with the Ho Fatt open-pit being by far t most important producing unit

In the year to last March Sung Besi produced 1,917 tonnes tin concentrate compared w 1,497 tonnes in 1976-77. This crease, coupled with a higher price, resulted in a net profit M$6.89m compared with a lo of M1.57m in the previous ye

Mr. Junus Sudin, the chairm adds in the annual report th ore reserves at Hong Fatt a only sufficient to allow producti at the present rate to contin until the end of the current ye and warns that the risks of wa inflow should not be ignored.

It is intended to resume mini at the No 3/5 open-cast in t third quarter of the current ye He estimates that at current co and tin prices the ultimate l of the mine will still run to abo 1982. Sungei Besi shares we unchanged at 228p yesterday.

Ranger uranium sales deals

THE FIRST TRANCHE of sales contracts for the Ranger uranium project in the Northern Territory of Australia will be arranged soon, thus facilitating the raising of development finance, Mr. Bernard Fisk, the general manager for uranium development at Peko-Wallsend said yesterday.

Peko-Wallsend is a joint venture at Ranger with EZ Industries and the Commonwealth Government of Australia.

Mr. Fisk, speaking at an international symposium arranged in London by the Uranium Institute, said that Ranger hoped to come to production by 1981. The expectation of sales contracts applies to the first year of production.

The reiteration of the 1981 start-up date suggests that development work will start during the current dry season. Fears that the necessary political and legal consents were not forthcoming quickly enough had led to fears that Ranger would not in fact start until 1982.

Talks between the Government and the Northern Land Council, representing the Aboriginals of the Northern Territory, are expected to finish soon and at that point the way should be open to construction. This will bring to an end a period of uncertainties dating back to 1972.

Had the companies been permitted freedom of action the Ranger project would have come on stream last year. As it is, there has been no uranium mining in the Northern Territory at all.

The Ranger joint venturers are still the only potential Australian producers empowered to sign sales contracts. But Mr. Fisk said that the Jabiluka deposit, owned by Pancontinental Mining and Getty Oil could start production within a year of Ranger coming on stream.

The Nabarlek deposit, owned by Queensland Mines, could come to production months earlier than Ranger, Mr. Fisk added. But Nabarlek is smaller. Its uranium oxide reserves are 9,100 tonnes compared with 100,350 tonnes at Ranger.

Ranger's reserves are in any case expected to increase once detailed work resumes, Mr. Fisk said. Indeed, he made the general point that the reserves of the Northern Territory could be several times greater than those announced so far. There is every reason to think that more orebodies will be found.

This emphasises the importance of Australia in the international uranium supply-demand equation. Mr. Barry Lloyd, the general manager of Ranger Expl Development, told the symposiu that over the next few yea "Australia will probably recei the bulk of all new uraniu orders placed."

But, in common with oth analysts at the symposium, he fe that uranium prices were on plateau. "The supply industry destined for a lean period ov the next few years followed another period of rapid expansi as the log-jam restricting nucle reactor sales is breached," said.

Looking at the Australian situ tion in particular, Mr. Lloyd sa that present market prices we high enough to encourage explor tion and new mine developme "It does not wish to disrupt t market by short-term price cu ting, for to do so would retu the industry to its previo cyclical pattern."

● From Sydney, James For writes: The environmental impa study prepared by Western Mi ing Corporation for the Yeelirr deposit in Western Australia sa that the potential export incom from the mining operation w U.S.$200m a year based on uranium oxide price of $40 a l The study, published yesterda took two and a half years to com plete and stated that productio was unlikely to start before 198

BIDS AND DEALS

W. L. Pawson paving the way for substantial expansion

THE SHARES of W. L. Pawson, the women's clothing group, were suspended at 42p yesterday while the new chairman, Mr. Stanley Wootliff, organises the key moves which will fulfil his promise of *substantial* expansion for the company.

His plan revolves around a reverse takeover for £1.27m in cash of C. H. Bernard and Sons, a family owned company which manufactures and retails military and civilian uniforms in the UK, Malta and Gibraltar.

Bernard has a manufacturing base in Harwich, plus 33 retail outlets in the UK, two in Malta and one in Gibraltar. With net tangible assets of £1.7m on January 31 it is considerably larger than Pawson.

In order to finance the takeover (which has already been irrevocably agreed to by Bernard's shareholders) Pawson intends to raise around £1m via a rights issue and the remainder through a medium term loan from its bankers and financial advisers, Keyser Ullman.

The details of the issue have not yet been finalised but it is thought that the directors (who own just over 50 per cent of the equity) will take up only part of their entitlement and investment trusts of Keyser will take up the remainder of their rights. The other half of the issue is likely to be underwritten by stockbrokers Capel Cure Meyers and Henry Cooke Lumsden.

Pawson, which last year cut its losses from £140,000 to £5,000, is buying Bernard at a time when profits have collapsed from £235,000 in 1976-77 to £68,500 for last year.

Mr. Wootliff, who was formerly managing director of the William Reed carpet and textile group until last year, now believes he can pull up Bernard's profits again creating the basis for major expansion at Pawson.

In the last few months he has also paid £86,500 for Wilbefort, a chain of 14 general outfitters shops in Yorkshire, and £50,000 for a furrier, J. Teff.

Only last November Pawson raised £295,000 in a one-for-one rights issue intended to reduce borrowings and finance higher working capital requirements. Now the 500 or so shareholders are to be asked to raise more capital.

In the meantime the shares are likely to be suspended for some months as Pawson will need to produce a pro forma balance sheet showing what sort of a company it will be after the acquisition.

CUSTOMAGIC UNCONDITIONAL

Mooloya Investments' £1m bid for Customagic—certain features of which the City Take-over Panel has said constitute a serious breach of the Take-over Code—was yesterday declared unconditional.

The bid went unconditional after Mooloya announced that it had received acceptances representing a 56 per cent stake in Customagic. Earlier yesterday, with acceptances at the 55 per cent level the group had planned to extend its offer until July 17.

Last week Mooloya accepted the Take-over Panel's ruling that it should increase its bid by a penny—to 21p a share—and that the company should not pay a £38,625 fee to Gras d'Eau Consultants for securing the acceptance of certain Customagic shareholdings.

The Panel is to make a further statement shortly.

A spokesman for Grindlay Brandts, advisers to Customagic, said last night that the level of acceptances in one respect was encouraging given that Mooloya had started with a committed 47 per cent stake. He said that a full statement from Customagic was expected today.

UNILEVER

National Starch Chemical Corporation and Unilever are commencing the mailing of proxy and exchange offer documents concerning Unilever's $485m offer for National.

The transaction will be voted upon by National's stockholders at a special meeting scheduled for August 15.

BRITISH LAND'S £1.2M BUY

British Land, has acquired CQC, manufacturer in Barnstaple of specialised made-up textiles and protective clothing for defence, for £1.2m cash. British Land already has an interest in the clothing industry through J. H. Greenwood (Holdings), knitwear manufacturers.

Out of the consideration, £750,000 is payable immediately upon acquisition and is represented by net assets of that amount, consisting largely of the value attributable to the factory in Barnstaple of 46,000 sq ft.

A further £450,000 is payable immediately upon certification of the warranted profits for the year ending March 31, 1979, of £490,000 before tax.

Mr. Norman Goldwater, who has been with CQC since 1948, will remain as managing director.

MANCHESTER AND LONDON INV.

Manchester and Metropolitan Investment Trust has received acceptances in respect of its offer for Manchester and London Investment Trust amounting to 541,447 ordinary shares (54.05 per cent). The offer is now unconditional and remains open.

HARDY FURNISHERS

Hardy and Co., furnishers, has sold its leasehold interest in premises at Portland Place, London, for £202,500 cash.

The leasehold interest, which originally cost £83,825, was last professionally valued in April, 1977, as being worth £140,000. The building previously housed a head office staff of the group and they have now been integrated into the company's administration office in Croydon.

Barclays move to build up merchant banking in France

Barclays Bank has agreed in principle to take a majority stake in the privately-held Societe Bancaire de Paris, an acquisition designed to strengthen the merchant banking side of its French operations.

Under an agreement signed yesterday, Barclays' French subsidiary will buy 51 per cent of the BAFK, which is the kernel of the private Paluel-Marmont financial group.

Although Societe Bancaire de Paris—which will have capital of Frs 10.5m (£1.24m) when the deal is concluded—does not rank among France's bigger deposit banks, it heads a group of credit and investment companies through which Barclays intends to build up its wholesale banking activities to a size comparable with its retail banking operations in the country.

Barclays is the most important British banking interest in France, and its network of 25 branches, including five in Paris, is the biggest among non-French banks. The greater part of its profit in France, however, comes from merchant-bank style activities.

Barclays still has to reach final agreement on the terms of the deal, which is unlikely to be completed before the end of the year. The remaining 49 per cent of Societe Bancair de Paris is expected to remain in the hands of the Paluel-Marmont group, including direct family holdings.

The agreement will also give Barclays a stake of around 35 per cent in a Monte Carlo-based long-term credit bank, Societe de Banque et D'Investissements (SOBI), in which Paluel-Marmont currently holds 74 per cent. The other 26 per cent is held by the West German Rhineland-Palatinate Regional Bank, Landesbank Rheinland Pfalz Girozentrale.

SOBI, which became part of the Paluel-Marmont Group five years ago, is mainly engaged in long-term property loans.

Through Societe Bancaire de Paris, Barclays will gain effective control of three investment companies, Pierre-Investissements, Societe D'Investissement et de Gestion and France-Investissements. The bank is also a 50-50 partner with the U.S. broker Merrill Lynch in an investment venture.

NO PROBE

The proposed acquisition by Adwest Group of Burman and Sons from Duport is not to be referred to the Monopolies Commission.

ASSOCIATES DEALS

On July 10 Hedderwick Stirling Grumbar bought 12,500 Wood and Sons ordinary shares at 55p on behalf of Newman Industries.

Hoare Govett bought 10,000 Crossley Building Products ordinary shares at 103p and 200,000 at 103½p on behalf of Bowater.

Sheppards and Chase, as brokers to Albright and Wilson, has sold a total of 13,425 Albright shares at 185p.

Hill Samuel bought 3,750 Thos. Tilling at 118½p for a discretionary investment client.

SHARE STAKES

Marks and Spencer: M. M. Sacher, director, has acquired 13,550, 3,496, 7,260 and 25,246 shares. E. J. Sacher, director, is interested as a trustee in the purchase of 13,550 shares.

General Accident Fire and Life Assurance Corporation: Kuwait Investment Office has increased its holding by 25,000 shares to 12,375,000 shares (7.5 per cent).

Northern Foods: Nicholas Horsley, chairman, has acquired 20,000 shares as a result of his holding 5,000 Pork Farms shares and his acceptance of the offer for Pork Farms by Northern Foods.

Amber Day Holdings: J. W. Rose, director, yesterday sold 25,000 shares.

Fothergill and Harvey: Britannic Assurance Company has bought a further 35,000 shares. Total holding 395,000 shares (6.41 per cent).

McCleery L'Amie Group: Sir Desmond Lorimer, director, has raised his beneficial holding to 200,313 shares (about 1.6 per cent) by purchase on July 5, on behalf of his family, of 25,000 shares at 14½p.

Electric and General Investment Co: Between June 20 and July 5 Post Office Superannuation Fund bought 180,000 shares making holding 3,093,375 shares (17.1 per cent).

Greenbrook Securities: Greenbrook Securities, through its subsidiary, Bunting Estates, no longer has a notifiable interest in Barget.

Cambrian and General Securities: London Trust Company has sold 159,700 shares reducing holding to 300,000 shares (7.4 per cent).

S. Lyles: Clydesdale Bank (Head Office) Nominees have bought 200,000 shares (5.5 per cent).

Young Companies Investment Trust: Cornhill Insurance Company holds 588,500 shares (9.05 per cent).

Gresham House Estate Company: On July 7 and 10, A. P. Stirling, managing director, bought a further 50,700 shares at 57p and 58p.

Caledonia Investments: Kuwait Investment Office sold on July 6 45,000 shares leaving an interest in 850,000 shares (4.8295 per cent).

Homfray—H. J. H. Gilliam and C. J. Gilliam have notified a transfer of 95,839 shares out of a family trust to a beneficiary. As a result H. J. H. Gilliam's interests are 342,637 shares (2.22 per cent) benficial and 959,455 shares (6.22 per cent) non-beneficial. Gilliam is beneficially interested in 2,258,731 shares (14.65 per cent).

Cooper Industries—W. H. Podmore, a company controlled by C. G. Cooper, has acquired 75,000 shares.

Sotheby Parke Bernet Group—G. D. Llewellyn, director, has sold 75,355 shares. P. J. A. Spira, director, sold 2,500 shares.

Econa—Courtaulds CIF Nominees has bought 20,000 shares at 91p. Total holding 280,000.

JB Holdings—Following directors have sold 10 per cent cumulative preference shares as follows: W. G. S. Johnston 71,070 beneficial and 147,626 non beneficial; A. J. D. Ferguson 2,300 beneficial and 13,373 indirect; A. J. D. Ferguson and K. M. Payne 211,756 non beneficial; K. M. Payne 2,500 beneficial and 24,171 non beneficial.

Scapa Group cautious but sees progress this year

TEMPERING his annual statement with a degree of caution Mr. T. D. Walker, chairman of Scapa Group, says there is no apparent reason why the current year should not be one of progress.

The recently acquired Bury and Masco will make its contribution which the directors say will strengthen the performance of the group as a whole.

The volume of group orders in the UK has, in the current year's opening phase, been compatible with a normal level of activity. In the North American group and in other overseas companies the level of demand has been encouraging.

The directors will continue to develop and take opportunities when and where they arise, says Mr. Walker.

As reported on June 24, taxable profits for the year to March 31, 1978, although down from £7.63m to £7.14m, bettered the forecast profit by £0.64m.

Mr. Walker reports that the year was one of varying fortunes which were affected by the movement in exchange rates as well as by trading factors. Some 75 per cent of the group's trade is overseas.

In trading terms activity remained at a high level and continuing technical change in products and methods of production was also an element in a demanding year.

As foreseen at the time of the rights issue in June 1977 the group invested substantially in new plant. Expenditure during the year is broken down as follows; UK and other countries £2.8m; North America £1.5m.

A further £3m of expenditure is in process for which finance is in hand. This expenditure represents a continuing programme of factory reorganisation and of continuing development.

The directors are of the opinion that, taking into account bank and other facilities, the group as enlarged by the acquisition of Bury and Masco (Holdings) will have sufficient working capital available to meet its present requirements.

A statement of source and application of funds shows an increase in working capital of £3.21m (£5.56m).

On a current cost basis pre-tax profit is shown at £6.06m, after adjustment for additional depreciation of £1.29m, cost of sales £0.24m, and gearing £0.45m.

Prudential Assurance Company holds 6.13 per cent of the group. The AGM will be held in Blackburn on August 4 at 11.30 am.

Bristol Post diversifies

The jump in group pre-tax profits recorded by Bristol Evening Post for the year ended March 31, 1978, was largely attributable to the increasing demand for advertising space and the improvement in the retail and transport activities, says Mr. Andrew Breach, chairman.

The group pursued a policy of modest diversification during the year as it is considered wise to broaden the profits base in order that the group is not so dependent on profits from its newspapers. Since the last AGM the group has acquired Morley Adams which compiles and distributes crossword puzzles.

The group has also acquired a 23 per cent interest in James Dixon and Sons (silversmiths) and negotiations are currently in hand which may increase the holding to 50 per cent.

As reported on July 5 group pre-tax profits expanded from £1.32m to £1.89m in the year ended March 31, 1978. An analysis shows: newspaper publishing and printing £1.48m (£1.18m), retail activities £0.36m (£0.19m), features and crossword agencies £18,000 (£12,000), transport and vehicle repair £74,000 (£24,000) and sundry services loss £6,000 (£4,000), less net interest paid £31,000 (£78,000).

The chairman says that in view of the difficulty of introducing photo-composition and new technology, it has been resolved to write off the considerable cost of equipment which the group has been anxious to introduce bu which has been resisted by th operators. Mr. Breach feels tha this is a conservative decisio from which the group will bene fit if it is possible to introduc the use of this equipment at a early date.

At the year ended there wa an increase of £41,000 in cash £431,000 in short-term deposit and £192,000 in investments.

Sir Denys Hicks deputy chair man is to retire from the Board on reaching the age of 70.

Meeting, Bristol, August 1, at noon.

NMC ahead at £181,769 —pays 1.43p

Pre-tax profit of NMC Investments advanced from £114,730 to £181,769 for the March 31, 1978, year after £75,802 against £29,314 at halfway.

Tax took £62,992 (£68,677) for the year, leaving a net profit ahead from £46,043 to £118,777 before minorities £10,152 (£8,753). Earnings per 12½p share are shown as 2.52p (0.86p) and the dividend is increased from 1.3p to 1.43p net.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Federal jury rules against Xerox

BY DAVID LASCELLES

NEW YORK, July 11.

IN THE first of many anti-trust and patent suits against Xerox Corporation to have reached the verdict stage, the pioneering plain paper copier maker has been found by a U.S. Federal Jury to have maintained an illegal monopoly on its product. However, the extent of the damages to which it might be liable —while still far from clear—was reduced by a separate verdict narrowing the scale of the monopoly.

The finding—on which Xerox refused immediate comment—came towards the end of the longest Federal Jury trial in U.S. history in which Xerox faces damages claims of $1.52bn by SCM, a diversified industrial company whose products include office copiers and Smith Corona typewriters.

The precise legal import of the jury's verdicts and Xerox's damages liability should become clearer in the next day or two as the Court reconvenes in Hartford, Connecticut, to consider these questions. However, the Judge in the case has said that unlike a previous anti-trust case brought against Xerox by the FTC, which was settled out of court, this one should establish for the first time whether Xerox broke the law or not.

The case is based on SCM's allegations that Xerox maintained an unfair monopoly of the plain paper copier market during the 1960's by burying its technology in a "thicket of patents"—some 1,700 of them—which prevented other copier makers from gaining access to it. SCM also complains of Xerox's alleged cartels with Rank Xerox in the UK and with its Japanese subsidiary.

SCM specifically claims that Xerox unreasonably refused it a licence in the mid-1960's which resulted in SCM losing over $500m worth of business. Under the anti-trust laws, SCM is claiming triple damages.

Xerox denied operating a monopoly, and said it had refused SCM a licence because it believed the company was not equipped to make a success of the plain paper copier business.

The first part of the case—which began in 1973 and developed an awesome complexity—was settled in early June when the jury returned a partial verdict saying that while no identifiable market for plain and coated paper copiers existed in 1964, there was such a market in 1969. Proof that a market exists is essential to a successful monopoly charge.

With its latest verdicts, the jury has said that Xerox operated a monopoly when the market existed, but that SCM did not have the intention or capability to enter the plain paper copier business in 1964, the date from which the plaintiff calculates its damages.

The Judge also told the jury that there is no legal requirement that a company use any patents it obtains. But non-use of patents—which was established in Xerox's case—can be considered in deciding whether the company obtained these patents to develop its own products or to block the competition.

SCM was quoted as saying today "The jury sustained basic SCM claims that Xerox had bought up and tied up plain paper copying patents, monopolising a whole industry. The jury's finding established that Xerox did violate the anti-trust law and that SCM was injured by those violations."

Xerox said "We intend to take some time to analyse the findings before making any comment."

Mellon National ahead at half time

NEW YORK, July 11.

MELLON NATIONAL announced net earnings for the second quarter of $1.04 a share against 0.87 cents previously. Total net earnings before securities transactions were $20.4m, compared with $17m. Net earnings after securities transactions totalled $18.9m or 96 cents a share against $17m or 87 cents.

For the first six month of the year, net earnings before securities transactions total $40.1m or $2.05 against $33.7m or $1.72.

Net earnings after securities transactions were $37.5m or $1.91 against $33.4m or $1.70.

AP-DJ

Chicago Bridge ban

Chicago Bridge Iron said a Louisiana court has issued a temporary restraining order barring the company from soliciting shares of Rowan Cos, under Chicago Bridge's tender offer, worth some $250m, AP-DJ reports from Chicago. The Louisiana court has scheduled a hearing for July 27 but Chicago Bridge said it plans to seek relief from the restraining order prior to that date.

Beckman acquisition

Beckman Instruments has greed to acquire the privately held Altex Scientific for 275,000 common shares worth nearly $10m. AP-DJ reports from Fullerton. Altex, based in Berkely, makes liquid chromatography systems used to analyse chemical mixtures.

First Charter

Net earnings of $26.2m, equal to 88 cents a share, are announced by First Charter Financial Corporation, for the second quarter of the current year, reports AP-DJ. This compares with $23.8m, or 80 cents a share, previously.

Hyatt terms raised

Hyatt International's principal stockholders, the Pritzker family, have increased their offer to acquire the entire public equity interest in the company from $9 to $9.50 a share, AP-DJ reports from Chicago.

Media General

June revenues of Media General, the publishing and broadcasting group, rose 12.8 per cent to $19.8m compared with $17.5m, the previous year, AP-DJ reports from Richmond. Revenues for the first six months climbed 13.7 per cent, from $103.2m to $117.3m.

Peak demand pushes home loan rates to record level

BY STEWART FLEMING

NEW YORK, July 11.

THE COST of financing a new home in the United States has risen to the highest level since the Government began compiling statistics in 1963.

According to the Federal Home Loan Bank Board, the regulatory agency for the savings and loan industry, the average effective rate on conventional loans in June reached 9.46 per cent., up from 9.37 per cent the previous month. The overall cost includes certain initial fees which are averaged over ten years to arrive at the total interest cost.

Within this national average there are significant regional variations. Thus, earlier in the year, some savings and loan companies in California—which has been experiencing a phenomenal boom in the housing sector and soaring house prices — increased their interest charges on loans to ten per cent.

In spite of this high cost of borrowing on new homes, demand for housing continues strong, although judging from the trend of new housing starts, which have declined modestly recently, there has been some easing.

In the past four years however, investment in a family house has been an increasing popular option for Americans, apparently reflecting a growing recognition of the attractions of home ownership during an inflationary period.

Mortgage debt outstanding in the U.S. has been soaring as a result. In 1973 the total mortgage debt outstanding was $682bn, by the end of 1977, the figure had increased to $1.021bn.

The rapid rise in the cost of borrowing to purchase a house led to earlier forecasts predictions that demand for new homes would ease. It is widely predicted now, however, that, unlike the situation during the 1974 credit crunch in the U.S., supply of mortgage funds will not this time dry up.

This is because over the past two years new sources of finance for lending institutions have evolved. Savings and loan associations and banks are now packaging home mortgages and selling them to other financial institutions in order to obtain new funds for lending. Moreover, earlier this year the Federal Reserve gave banks freedom to pay higher rates of interest of six-month savings certificates with a minimum value of $10,000. Savings and loans and mutual savings banks are also offering these savings certificates, on which the rate of interest is linked to the most recent six-month Treasury bill issue.

The chairman for the Home Loan Bank Board, Mr. Robert McKinney, said yesterday that these new savings certificates "appear to have been a considerable help" to savings and loans in attracting funds.

While this suggests that the housing industry is less likely to be hit by a sharp decline in demand because of a cut in the supply of mortgage funds, some economists argue that these new initiatives are pandering to the inflationary psychology and will lead to interest rates for home loans rising higher than in the past because of the higher cost of funds to the lending institutions.

Green Giant earnings advance

CHASKA, July 11.

RECORD FOURTH quarter earnings and higher full year results are announced by Green Giant, the Delaware-incorporated food and restaurants group. Net earnings for the three months to May 27 last amounted to $4.7m against $1.8m for the previous corresponding period, after deducting losses from discontinued operations of $144,000, against $1.9m. Net earnings equalled $1.08 a share, against 37 cents a share on sales of $144.4m against $118.8m.

Net earnings for the full year were $10.4m after allowing for losses of $289,000, against $8.4m after losses of $3m. Net per share was $2.23 against $1.74 on sales of $485.7m against $433.6m.

Mr. Thomas H. Wyman, president, said the record fourth quarter earnings and the increase in full-year earnings resulted chiefly from strong performances in the grocery products business and the absence of processed meat operations.

"Our market share," the president stated, "have increased industry inventories of canned vegetables, which are in better balance and prices are improving. In fiscal 1978 we supported this business with record levels of advertising and merchandising expenditures, producing excellent momentum as we enter fiscal 1979 when total expenditures for advertising and merchandising will increase 45 per cent over fiscal 1978."

AP-DJ

Global Marine in profit

LOS ANGELES, July 11.

GLOBAL MARINE'S net earnings for the five months to end-May totalled $2.9m, compared with a loss of $1.8m for the corresponding period of 1977. The latest five months profit equals 65 cents a share. Revenue of $43.7m compares with $29.5m.

The five-month results will be included in an amendment to the registration statement covering the proposed offering of $20m of senior subordinated debentures due August 1 1998. The issue is tentatively scheduled to be marketed later this month.

The net loss for the previous period reflected the effect of accounting changes which reduced the loss by $274,000.

Mr. Robert F. Bauer, the chairman and Mr. C. Russell Luigs, the president, had previously indicated that earnings for the full year would exceed $1.50 per share, contingent on delivery of the company's newest drilling vessel on or near its scheduled date.

AP-DJ

Doubts over airlines merger

NEW YORK, July 11.

A MERGER between Texas International Airlines and National Airlines could result in an improved, more profitable operation. But many question whether a combination of Texas International, which is a regional carrier serving the south-west and Mexico, and National, which operates in much of the U.S. and has several international routes, will ever take place.

Texas International, as reported yesterday, has bought 790,700 shares of National common stock on the open market, equal to 9.2 per cent. of the company, and is considering the "possibility of seeking control of National."

Some consider a merger makes a lot of sense since National has been concentrating on making Houston a major route centre for its domestic and international flights. With Texas International also using Houston as a major terminus for its large intra-state network, there could be significant benefits to National from the feeder line traffic.

A major consideration, however, is whether National Airlines would agree to being acquired. The company is tightly held and controlled by Mr. L. B. Maytag, chairman and chief executive, and it is not clear that Texas International could get control without his approval.

It is felt that Mr. Maytag would not agree to a takeover since National is in a much stronger position than several years ago, when it agreed to a since aborted merger with Northwest Airlines.

Another possible obstacle to a merger, even if agreed by the two companies, could be the attitude of the Civil Aeronautics Board. The regulatory process can be unending, and a proposed merger could flounder during the time the CAB would spend studying the proposal.

The lengthy review and hearing process in the proposed merger between National and Northwest was a major reason the plan failed.

Current legislation in Congress, to reform the CAB does not deal with the matter of industry mergers, leaving open numerous question on how a plan by Texas International to gain control of National might be handled.

Mr. Alfred Kahn, CAB chairman, has said that for a merger of two healthy airlines to be approved, the companies would have to show substantial public service benefits.

In the absence of agreement by National to be acquired, the prospects of CAB approval to a combination may be even more difficult to obtain, and no one can recall any instance where an unfriendly takeover effort in the industry has been approved.

Reuter

AT & T hopeful on data plan

NEW YORK, July 11.

AMERICAN Telephone and Telegraph said its proposed data communications service, advanced communications service (ACS), could generate annual revenues of up to $500m by the mid-1980s.

ATT yesterday filed a petition with the Federal Communications Commission for a ruling on whether it can use existing digital facilities for the new service.

Meanwhile International Telephone and Telegraph Corporation said its ITT world communications unit filed to reduce rates up to 25 per cent for telex and leased channel services.

The filing was made with the Federal Communications Commission, and under the new rates all current rates for telex calls from the U.S. and Hawaii of $4 per minute will be reduced to $3 per minute.

Reuter

Beatrice and Tropicana shareholders approve bid

BY OUR OWN CORRESPONDENT

NEW YORK, July 11.

SHAREHOLDERS of both Beatrice Foods and Tropicana Products have overwhelmingly approved the proposed merger of their companies, although the deal has been temporarily halted by a federal court due to an anti-trust charge filed by the Federal Trade Commission.

In separate meetings yesterday, Tropicana shareholders deposited 87.5 per cent of outstanding shares for conversion into cash or Beatrice Foods preference stock, while Beatrice shareholders cast 98 per cent of their vote in favour of increasing the company's capital to enable Tropicana to be absorbed as a wholly-owned subsidiary. The merger terms involve the payment by Beatrice of $488m in cash and stock.

Neither company has yet responded to last weekend's court order which was made after the FTC tried to halt the merger on the grounds that it would eliminate competition in the ready-to-serve orange juice industry. However, they have until Friday to do so, after which the Court will decide whether to grant a permanent injunction to the FTC pending investigation of the merger, which was originally supposed to have gone through today.

Boston market link

THE New York Stock Exchange said the Boston Stock Exchange has become the fourth exchange to be linked to the intermarket trading system, an electronic communications network that will eventually interconnect the trading floors of six exchanges, reports Reuter from New York.

Ashland Canada move awaited

By Robert Gibbens

MONTREAL, July 11.

MARKET SOURCES raise the possibility of a counter-bid for Ashland Oil Canada following Kaiser Resources' cash bid worth C$470m.

In Calgary a spokesman for Ashland Canada said an announcement concerning the Canadian company would be issued later by the parent Ashland Oil, Ashland, Kentucky. The Ashland directors were meeting to consider the Kaiser offer.

Upturn at General Cable

GREENWICH, July 11.

MR. ROBERT P. JENSEN, the chairman of General Cable Corporation said that the Board has raised the quarterly dividend in light of the company's earnings results and prospects. Operating results for the second quarter should show significant gains, with net earnings estimated to be up about 30 per cent over the 1977 period.

For the first six months, sales should total about $360m and net earnings are estimated at $15.5m to $16m or about $1 to $1.05 a common share after dividends on preferred stock.

AP-DJ

EUROBONDS

DM issues turn lower

By Mary Campbell

THE DOLLAR sector was basically quiet yesterday as also were sterling bonds. D-mark foreign bonds took another turn for the worse following a marked weakening in the domestic capital market where the Bundesbank had to buy quite heavily to stabilise prices.

Interest in London focused on the first day's trading for the Midland floating rate issue. The quotations were around 98¼ to 98¾ on the bid side having fluctuated somewhat in early trading.

The Boots convertible issue starts trading today. It was priced yesterday at par with the conversion price set at 216p per share, a premium of 6.93 per cent above Monday's closing price of 202p. This was about the same price as that at which the shares closed on the day the issue was announced (after the effect of dividend increase had taken effect).

In Germany, the final terms were fixed on the Ricoh two-tranche issue. The DM 70m convertible was priced at par with the conversion price set at Y617 per share, a premium of 8.63 per cent over the current share price. The offering price for the fixed rate tranche—DM 30m—has been set at 99½, half a point above initial indications.

At the same time, the coupon on Izumiya's proposed convertible has been cut from the 3½ per cent initially indicated to 3¼ per cent.

Although no confirmation is yet avialable, reports from Tokyo suggest that a new Euroyen issue may be launched in the early autumn. The borrower would be the Asian Development Bank and the lead manager Daiwa, which also brought forward the two previous Euroyen issues last year. The size of the issue is likely to be Y15bn.

The Japanese Ministry of Finance has prevented further Euroyen issues since last year since it wanted to concentrate Yen borrowing in the Tokyo market in order to encourage capital outflows from Japan.

Amp looking for growth

HARRISBURG, July 11.

THE ELECTRIC wire terminals manufacturer, Amp Incorporated expects to report second quarter net income of about 65 cents a share, up some 22 per cent from last year's second quarter. Growth is expected to be fairly broadly based according to Mr. J. D. Brenner, president and chief executive officer.

Mr. Brenner estimated that second quarter sales rose to about $197m, an increase of about 22 per cent over last year's $161m.

For the 1978 first half, AMP expects to report net income rise of about $1.26 a share, or about 26 per cent higher than the $36.6m or 99 cents that the company reported for the 1977 first half. Mr. Brenner said first half sales are expected to climb about 22 per cent to $375m.

All AMP subsidiaries and affiliates contributed to the second quarter improvements in profits and sales. Domestic sales growth has been slightly stronger than international growth.

AP-DJ

Stokely van Camp increase

NEW YORK, July 11.

NET profit of the canned and frozen food manufacturer Stokely-van Camp for the fourth quarter ended May 31 rose from $2.8m or 80 cents a share to $4.3m or $1.26 a share. Sales revenues advanced from $131.1m to $140.5m.

This result lifted net income for the full year from $7.1m or $1.93 a share to $10.5m or $2.97 a share on revenues ahead from $456.5m to $503.3m.

AP-DJ

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Siemens to acquire 12% holding in MBB from Boeing

BY ADRIAN DICKS BERLIN, July 11.

SIEMENS, the West German electrical giant, is to buy out the 12 per cent stake held by Boeing of the U.S. in Messerschmidt-Boelkow-Blohm, West Germany's biggest aerospace group, as the first stage of a complex capital restructuring deal intended to restore control of MBB to West German private industrial interests.

Announcing this here today, however, Mr. Bernhard Plettner, the chairman of Siemens, made it clear that the operation is a short-term one, which will lead to at least part of the Boeing stake being transferred to a holding company belonging to Allianz, the insurance group. This, in turn, is expected to become the vehicle for shareholdings in the aerospace group by several leading West German industrial companies.

Boeing has, for a number of years, owned an 8.9 per cent holding in MBB. This has led, in the enthusiastic view of the German aerospace group's management, to considerable advantages in terms of management and engineering know-how. However, with Boeing now effectively the main competitor to the European Airbus, in which MBB is the principal German participant, there has been increasing pressure on the American company to withdraw from a situation where it faced obvious conflicts of interest. It is understood that, for at least a year past, Boeing representatives have taken little part in the deliberations of the MBB supervisory Board.

It now emerges, however, that, in addition to the 8.9 per cent, Boeing had exercised an option to buy a further three per cent of MBB. According to the deal announced by Mr. Plettner today, 7.9 per cent of the Boeing stake is being transferred to Fides, a holding company in which Siemens, the steel group Thyssen and the French Government-owned Société Nationale Industrielle Aerospatiale each had a one-third share. Fides, in turn, owns approximately 33 per cent of MBB. The remaining four per cent of Boeing's stake in MBB is being bought directly by Siemens, because Fides, according to MBB's partnership statutes, may not own more than 35 per cent of MBB, and because Boeing may not sell its shares directly to Allianz, which is not at present an MBB shareholder.

So far as Siemens is concerned, today's deal is really a holding operation for the benefit of Allianz, and ultimately of the Government-sponsored idea that West German private industry should take over control of MBB from its foreign shareholder, Boeing, and from the Hamburg and Bavaria state Governments, which together own 46 per cent. Like Allianz and MBB, Siemens is domiciled as a company in Munich.

F N Herstal forecasts sharp fall in earnings

By Giles Merritt

BRUSSELS, July 11.

FABRIQUE NATIONALE HERSTAL, the major Belgian armaments and engineering group, has issued ostensibly disappointing profit and turnover figures for the 12-month period ended June 30. Provisional estimates suggest that FN's 1977-78 net profits will be reduced to about one-third of the BFr 197m ($6.1m) earned in 1976-77.

Earnings are expected to be between BFr 60m-80m, and in October the company will probably confirm that the dividend is to be BFrs 100 per share instead of the BFr 170 paid last year. Turnover for the 1977-78 period was almost unchanged from last year's BFr 10.47bn, finishing at BFr 10.5bn.

The Belgian group's poor showing is, however, understood to be largely due to consolidation and re-equipment programmes that relate directly to FN's recent successes. Last year, the Belgian company acquired 85 per cent of Browning, the long-established U.S. arms manufacturer, for $20m, and is currently absorbing the new purchase into the group.

FN's reporting period will in fact run for 18 months until the end of this year, and next January 1 it will begin a new accounting year in which the sales of its own subsidiaries and those of the Browning group will be consolidated.

The total turnover of the enlarged group for 1979 could well be BFr 17-18bn. In addition to the extra BFr 2½-3bn from Browning's operations, FN is expecting a boost of about 20 per cent to its turnover from its $836m components and assembling contract for the F-100 Pratt and Whitney aero-engines being used in the 348 F-16 combat fighters that General Dynamics is selling.

Following a lengthy and expensive reorganisation, the first F-100 engine is due to be completed by FN in September.

Although FN's financial performance received a setback in February-March of this year, when a six-week strike cost it an estimated BFr 1bn in output, 1978 had in any event been planned as a period of retrenchment.

Under a stepped-up investment programme, BFr 3bn is being spent this year and in 1979 on re-equipment.

The accounts for the 12 month period to June 30 are, however, in marked contrast to Fabrique Nationale's previous year, when it recorded an increase in turnover of 26 per cent and earnings up BFr 75m from the 1975-76 level of BFr 122m.

Siemens unit ahead

Net profits of Siemens Beteiligungen, the Zurich holding company responsible for the foreign operations of the Siemens group of West Germany, increased by 10 per cent last year. At the end of March last, profits emerged at Sw.Frs.21.1m ($11.6m) compared to Sw.Frs. 19.3m, writes John Wicks.

MEDIUM TERM CREDITS

Go-ahead for $700m steel works loan

BY DIANA SMITH IN RIO DE JANEIRO AND MARY CAMPBELL IN LONDON

TODAY'S confirmation that a syndicate of Japanese banks is willing to advance $700m to the Brazilian-Japanese-Italian Tubarao Steel works in Brazil, means that after much hesitation, the project can now go ahead.

Basic terms of the loan have been laid down and, Brazil's Ministry of Industry said today, are "satisfactory in principle."

The joint loan managers—Dai-Ichi Kangyo Bank, Bank of Tokyo and Long Term Credit Bank, will provide the $700m 12-year loan in four annual instalments: three of $200m to be drawn this year, in 1979 and 1980 and one of $100m to be drawn in 1981. There are six years of grace before repayments start.

The margins to be paid over inter-bank rates will be negotiated between now and July 31, an official spokesman for the Brazilian Steel Agency, Siderbras, said today.

The Tubarao project has been the subject of arduous negotiations between its three partners—Siderbras, Kawasaki Steel and Italy's Finsider. It is expensive, with a fixed capital of $600m (Siderbras has 51 per cent, and Kawasaki and Finsider 24.5 per cent each) and needs a further investment of $2.1bn (with Siderbras committed to $1bn, Kawasaki to $600m and Finsider to $500m).

In fact, the $700m Japanese syndicated loan is to cover 70 per cent of Siderbras' share in the investment. In March this year, Finsider offered a contribution of $120m to Siderbras but the Brazilian agency preferred to try to get the full $700m from Japanese sources. Thus, its domestic contribution to the fixed investment will be only $300m.

In order to get Kawasaki's steel's help in raising the $700m from Japanese banks, Siderbras had to make concessions. Originally, Kawasaki and Finsider were due to absorb 20 per cent each of Tubarao's initial planned annual output of 3m tonnes of steel. Following negotiations in March, Siderbras agreed to absorb 10 per cent of Kawasaki's allocation and, for the sake of fairness, 10 per cent of Finsider's.

Ground clearing and building of infra-structure needed to support the Tubarao project are already under way. Today's confirmation of the much-needed $700m will give Siderbras' working funds that cover its obligations to Brazilian contractors.

Equipment for Tubarao will be supplied in equal shares of 33.3 per cent by the three partners. The project, due to go on stream on August 1, 1982, has been criticised by Brazilian industrialists who feel they should have a larger share of equipment supplies rather than letting over 66 per cent come from Japanese and Italian manufacturers.

Tubarao, Brazil's other major new steel project, Açominas (to which the UK is heavily contributing in equipment and engineering) and expansion of existing steel works like Usiminas (in which Nippon Steel has a share) are destined to make Brazil self-sufficient in steel, with an estimated output annually of 24.8m tonnes, by the middle of the next decade.

With problems in the U.S. and EEC steel industries, Latin Americans have come under fire for their steel expansion plans. But they aim not only to cover their domestic needs. They are already looking to new markets like the Middle East for exports of their forecast mid-1980s surpluses.

Meanwhile, a mandate has been awarded for a further Brazilian Euromarket credit—$110m for Nuclébraz. The new loan will run for twelve years and offer participating banks a margin of 1¾ per cent over inter-bank rates, a level which marks a further narrowing of margins for Brazilian credit within a fortnight. The mandate for the previous Brazilian loan—for Telebraz, awarded only ten days ago—included one $90m tranche at a margin of 1⅞ per cent.

The new Nuclébraz deal is being managed by Westdeutsche Landesbank. It is to have a limited syndication only since it is not part of the regular queue of Brazilian borrowers. The purpose of the loan will be general financing.

Occidental Boliviana, a subsidiary of Occidental Petroleum, has arranged a $35m four-year loan. The loan will carry a margin over inter-bank rates of 1⅞ per cent, so long as it is guaranteed by the parent company and a margin of 2 per cent should the guarantee be removed. The loan agreement makes provision for the lending banks to give permission for the guarantee to be removed in certain circumstances.

The credit is to be used for development of the Tita Field in Bolivia. Lead manager is Continental Illinois Ltd.

Santa Fe Minerals (UK) has raised $35m for a medium-term maturity for additional development and production in the Thistle Field and other producing areas of Block 211/18 in the North Sea. The loan, arranged by United California Bank, is guaranteed by Santa Fe International Corporation.

Approval for Saar steel plan

BY LESLIE COLITT BERLIN, July 11.

THE West German Cartel Office has approved a series of mergers in the steel industry in the Saarland following their approval by the EEC Commission.

The mergers, which are to result in a restructuring of the ailing steel industry of West Germany's smallest state, entail the take-over of a majority of shares in Stahlewerke Roechling-Burbach and Neunkircher Eisenwerk (Neunkirchen) by Arbed, the Luxembourg steel giant. Arbed already has a 50 per cent stake in Roechling-Burbach.

The merger establishes a link with the French steel group Marine-Wendel, as Neunkirchen owns 32.4 per cent of Dillinger Huettenwerke in the Saar, with the remainder held by the French group.

The Cartel Office in Berlin noted that the majority of the products manufactured by the companies involved in the merger fall under the European coal and steel agreement, and thus are not subject to West German merger control. The European Commission approved the mergers under Article 66 of the agreement.

The link established between Arbed and Dillinger was disregarded by the Cartel Office after the Commission stipulated that Neunkirchen's share in Dillinger is to be reduced to a maximum of 25 per cent by May 1, 1982, and in the meantime Neunkirchen is not to exercise its voting rights beyond 25 per cent.

In the non-iron and steel products sector, subject to German merger law, the companies involved only attain a significant share of the market in basic Bessemer phosphate. But the production of the material has been falling steadily in recent years, from 300,000 tonnes in 1970 to 127,000 tonnes in 1977 because of the less frequent use of iron ore containing phosphate.

The Cartel Office reasoned that, overall, the merger will result in improved conditions for competition. Neunkirchen remains as a competitor, it noted, and by separating the previous owners of Neunkirchen in the production of rail fastening material, a market-dominating position is eliminated.

Verwa closed temporarily

BY OUR OWN CORRESPONDENT BERLIN, July 11.

THE West German supervisory agency for banking has ordered the temporary closure of the Verwa Bank in Stuttgart, a hire purchase finance house. The agency in West Berlin says a moratorium was ordered on receiving orders and making payments by the bank, Verbraucher-Warenkredit Albert Speidel GMBH und Cie.

The moratorium became necessary, after an examination of the credit institute revealed it had an "adjustment of value which exceeded the equity capital." The bank has a balance-sheet total of some DM 140m. ($68m).

A moratorium on orders and payments was enacted into law in 1976 in West Germany, after the collapse of the Herstatt bank in Cologne. The temporary closure gives the bank the opportunity to put its finances on a sound basis.

The bank, which is not connected with any deposit insurance institution in West Germany, has not accepted new funds since September last.

Swiss trading house lifts sales

BY OUR OWN CORRESPONDENT ZURICH, July 11.

Group turnover of the international trading house, Siber Hegner rose by 2.5 per cent last year to SwFr 894m ($480m) according to the parent company in Zurich.

The share of turnover in eastern Asia went up from SwFr 354.6m to SwFr 373m within this total, that in Europe rising from SwFr 508.8m to SwFr 511.3m and in other areas from SwFr 8.6m to SwFr 9.7m.

The holding company, whose financial year ended on March 31, 1978, is to pay a dividend of 15 per cent from net profits of SwFr 2.1. It expects a "reasonable" result for the current year.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Alcan Australia 8½pc 1989	97½	98
AMEV 8pc 1987	95	95½
Australia 8½pc 1992	92½	93
Australian M. & S. 9½pc '92	97	97½
Barclays Bank 8½pc 1992	94½	95½
Bowater 9½pc 1992	96¾	97½
Can. N. Railway 8½pc 1986	94¾	95½
Credit National 8½pc 1986	93½	96
Denmark 8½pc 1984	97¾	98½
ECS 9pc 1993	98¼	99½
ECS 8½pc 1987	93¾	94½
EIB 8½pc 1992	96	96½
EMI 9½pc 1989	98	98½
Ericsson 8½pc 1989	96½	97
Esso 8pc 1986 Nov.	99½	100
Gt. Lakes Paper 8½pc 1984	97½	98
Hamersley 9½pc 1992	100½	101
Hydro Quebec 9pc 1992	93	93¾
ICI 8½pc 1987	95½	96½
ISE Canada 9½pc 1986	102¾	103½
Macmillan Bloedel 9pc 1992	94½	95
Massey Ferguson 9½pc '91	98½	99½
Michelin 9½pc 1988	100½	101½
Midland Int. Fin. 8½pc '92	94½	95
National Coal Bd. 8pc 1987	92½	93½
National Westmnstr. 9pc '86	100	100½
Natl. Westmnstr. 9pc '86 'B'	100½	100¾
Newfoundland 9pc 1989	98¾	99½
Nordic Inv. Bank 8½pc 1988	96	96½
Norges Kom. Bk. 8½pc 1992	95	95¾
Norpipe 8½pc 1989	94½	95½
Norsk Hydro 8½pc 1992	94½	95½
Oslo 9pc 1988	99½	100½
Ports Autonomes 9pc 1991	97½	98
Prov. Quebec 9pc 1995	93½	94½
Prov. Saskatchwn. 8½pc '86	97½	98½
Reed International 9pc 1987	92½	94½
RHM 9pc 1992	93¾	94½
Selection Trust 8½pc 1989	90½	91½
Shell Intl. Fin. 8½pc 1990	97½	98
Skand. Enskilda 9pc 1991	97	97½
SKF 8pc 1987	91½	92½
Sweden (K'dom) 8½pc 1987	94½	95
United Biscuits 9pc 1989	97½	98½
Volvo 8pc 1987 March	93½	94
NOTES		
Australia 7½pc 1984	93½	94½
Bell Canada 7½pc 1987	95½	96½
Br. Columbia Hyd. 7½pc '85	97½	98½
Can. Pac. 8½pc 1984	97½	98
Dow Chemical 8pc 1986	98½	99½
ECS 7½pc 1982	94½	95½
ECS 8½pc 1989	93¾	94½
EEC 7½pc 1982	93½	95
EEC 7½pc 1984	94	94½
Enso Gutzeit 8½pc 1984	96	96½
Gotaverken 7½pc 1982	94½	95
Kockums 8pc 1983	96¾	97½
Michelin 8½pc 1983	98½	99½
Montreal Urban 8½pc 1981	98½	99½
New Brunswick 8pc 1984	96½	97½
New Bruns. Prov. 8½pc '83	99	99½
New Zealand 8½pc 1986	95½	96½
Nordic Inv. Bk. 7½pc 1984	93½	94
Norsk Hydro 7½pc 1982	95¾	96½
Norway 7½pc 1982	94½	95
Ontario Hydro 8pc 1987	93½	94½
Singer 8½pc 1982	99½	100½
S. of Scot. Elec. 8½pc 1981	98	98½
Sweden (K'dom) 7½pc 1982	94¾	95½
Swedish State Co. 7½pc '82	95½	96
Telmex 9½pc 1984	98½	99½
Tenneco 7½pc 1987 May	91½	92½
Volkswagen 7½pc 1987	93½	94½
STERLING BONDS		
Allied Breweries 10½pc '90	89	90
Citicorp 10pc 1993	92	93
Courtaulds 9½pc 1989	89½	90½
ECS 9½pc 1989	94½	95½
EIB 9½pc 1988	96½	97½
EIB 9½pc 1992	92½	93½
Finance for Ind. 9½pc 1987	90½	91½
Finance for Ind. 10pc 1989	93	94
Fisons 10½pc 1987	96¾	97¾
Gestetner 11pc 1988	91½	92½
INA 10pc 1988	91½	92½
Rowntree 10½pc 1988	88½	89½
Sears 10½pc 1988	90½	91½
Total Oil 9½pc 1984	90	91
DM BONDS		
Asian Dev. Bank 5½pc 1988	96	96½
BNDE 6½pc 1986	97½	98
Canada 4½pc 1983	98	98½
Den Norske Id. Bk. 6pc '90	100½	101
Deutsche Bank 4½pc 1983	98	98½
ECS 5½pc 1990	94½	95
EIB 5½pc 1990	94½	95
Elf Aquitaine 5½pc 1988	95	95½
Euratom 5½pc 1987	98	98½
Finland 5½pc 1986	97½	98
Forsmarks 5½pc 1990	97½	99½
Mexico 6pc 1985	96½	97
Norcem 5½pc 1989	99½	100½
Norway 4½pc 1983	98	98½
Norway 4½pc 1983	97	97½
PK Banken 5½pc 1988	96	96½
Prov. Quebec 6pc 1990	97	97½
Rautaruukki 5½pc 1988	95	95½
Spain 6pc 1988	95½	96
Trondheim 5½pc 1988	96½	97
TVO Power Co. 6pc 1988	97	97½
FLOATING RATE NOTES		
Bank of Tokyo 1984 8½pc	99½	99¾
BFCE 1984 8½pc	99½	99¾
BNP 1983 8 11/16pc	100½	100¾
BQE Worms 1985 9pc	98½	98¾
CGF 1985 8½pc	98½	99½
CGMF 1984 8 11/16pc	99½	99¾

	Bid	Offer
Creditanstalt 1984 8½pc	99½	99¾
DG Bank 1982 9pc	100½	100¾
GZB 1981 8 1/16pc	99½	100½
Intl. Westminster 1984 8pc	99	99½
Lloyds 1983 8 13/16pc	100½	100¾
LTCB 1983 8pc	99½	100
Midland 1987 8 9/16pc	99½	99¾
Midland Int. Fin. Serv. '83	98½	99½
Nat. Westminster '90 9 5/16pc	99½	99¾
OKB 1983 7¾pc	100½	100¾
SNCF 1985 8½pc	99¾	99¾
Stand. and Chtrd. '84 8½pc	99½	99¾

Source: White Weld Securities.

	Bid	Offer
CONVERTIBLES		
American Express 4½pc '87	81½	83
Ashland 5pc 1988	93½	95
Babcock & Wilcox 6½pc '97	107	108
Beatrice Foods 4½pc 1992	94½	96
Beatrice Foods 4½pc 1992	105	106½
Beecham 6½pc 1992	99	100
Borden 5pc 1992	98	99½
Broadway Hale 4½pc 1987	75½	77
Carnation 4pc 1987	78	79½
Chevron 5pc 1988	122½	124
Dart 4½pc 1987	79½	81
Eastman Kodak 4½pc 1988	83	84½
Economic Labs. 4½pc 1987	78	79½
Firestone 5pc 1988	80½	82
Ford 5pc 1988	85½	87
General Electric 4½pc 1987	80	81½
Gillette 4½pc 1987	75	76½
Gould 5pc 1987	114½	116
Gulf and Western 5pc 1988	85½	87
Harris 5pc 1992	182½	184½
Honeywell 6pc 1986	86	87½
ICI 6½pc 1992	89	90
INA 6pc 1997	95½	97
Inchcape 6½pc 1992	115	116
ITT 4½pc 1987	77½	79
Jusco 6pc 1992	122½	123½
Komatsu 7½pc 1990	141	142
J. Ray McDermott 4½pc '87	140	142
Matsushita 6½pc 1990	154½	156
Mitsui 7½pc 1990	132½	133½
J. P. Morgan 4½pc 1987	95½	97
Nabisco 5½pc 1988	104	105½
Owens Illinois 4½pc 1987	108½	110
J. C. Penney 4½pc 1987	75½	77
Revlon 4½pc 1987	125	126½
Reynolds Metals 5pc 1988	82½	84
Sandvik 6½pc 1988	108	109½
Sperry Rand 4½pc 1987	91	92½
Squibb 4½pc 1987	81½	83
Texaco 4½pc 1988	77	78½
Toshiba 6½pc 1992	135	136
Ty Co. 9pc 1984	77½	79
Ty Co. 8½pc 1988	102	103
Union Carbide 4½pc 1982	91½	93
Warner Lambert 4½pc 1987	80	81½

Source: Kidder, Peabody Securities.

Norwegian insurance deal

BY FAY GJESTER OSLO, July 11.

ONE OF Norway's "big three" insurance concerns, the Vesta group, is to acquire Norvegia-Pallas, which has recently made losses in shipping and wood products.

Vesta is taking over at least 90 per cent of the shares in a holding company, A/S Norinas, which controls Norvegia-Pallas and Norkreditt, an associated financing company. At the same time, Vesta is putting up a guarantee of NKr. 25m, primarily to secure the interests of Norvegia-Pallas policyholders.

Provision of this guarantee, it is emphasised, would be conditional on the co-operation of the authorities in solving some of the tax and legal problems the takeover would create.

Norvegia-Pallas' insurance activities showed a "reasonable profit" last year, with premium income totalling NKr 240m, and the financing company Norkreditt made a pre-tax profit of NKr 3.8m. Heavy losses, however, were made by two shipping companies in which Norvegia-Pallas has significant shareholding.

A bankrupt cellulose factory, Vestfos, which Norvegia-Pallas took over some years ago for NKr 15m, has continued inactive, and the company is also a major creditor of A/S Vittingfoss, a near-bankrupt paper manufacturer with debts thought to total about NKr 52m.

Commenting on the NKr 25m guarantee which Vesta is providing, Vesta managing director, Olaf Christophersen said the group believed this to be covered by the value of Norvegia-Pallas property and other assets. The takeover reflected the fact that Norvegia-Pallas insurance portfolio was "interesting."

Swiss companies pessimistic

BY JOHN WICKS ZURICH, July 11.

A MAJORITY of Swiss industrial undertakings questioned in a survey by the Union Bank of Switzerland expects turnover to be higher this year than in 1977. Some 55 per cent anticipate a rise—half of them expect this to exceed 5 per cent—while 32 per cent believe sales will fall. Since production costs will rise for most companies and sales prices decline in many cases, the bank forecasts that profits will drop in a majority of companies.

No real business stimulus is seen likely for Swiss industry in the third quarter. While an expected weakening of demand against the second quarter is partly seasonal, business should be only slightly better than in the third quarter of 1977.

Any growth impulses in the current quarter are seen as coming from the home market, since "difficulties in export business are more likely than not to increase."

INTL. FINANCIAL AND COMPANY NEWS

Largest Saudi bank to go public

JEDDAH, July 11.

(E National Commercial Bank, .udi Arabia's biggest financial .stitution, with assets of 30bn .als ($9bn) is to invite 30 per .t public subscription.

A report in the London-based .harq Al-Awsat Arabic daily .d yesterday that the Saudi .nance Ministry was exerting .essure on the Jeddah-based .nk to invite public subscrip-.n.

.mar Bin Abdul Qader, the .nk Administration Director, .d the Bank had already asked . Government for permission .become a joint stock company, .ding that no deadline had .n set for the process.

The National Commercial .nk the Kingdom's oldest, is .ned by Saudi nationals, and . Government decreed eight .rs ago that all banks in the .ntry be changed into joint .ck companies.

The National Commercial .nk, with an estimated annual .fit of $290m, and the Riyadh .nk were the only two Saudi .mmercial banks until recently. The former British Bank of . Middle East officially .came a Saudi-controlled joint .ck company on June 30. .uter.

Contested bid for Duncans

By James Forth

SYDNEY, July 11.

.DELAIDE STEAMSHIP Com-.ny, the diversified industrial .ou., has returned to the take-.er market with a bid for New .uth Wales timber group .uncan's Holdings. Adelaide has .eady bought the 42.5 per cent .ke previously held by .stralian Paper Manufacturers, . A$1.30 a share and has under-.ken to extend a similar offer to .maining shareholders within a .asonable time.

However, the Adelaide direc-.rs said that they would like, .rough a number of Duncan's .areholders, to retain their .terest and Adelaide would .elcome the opportunity to .tain stock exchange listing. .ll acceptance of the Adelaide .er would value Duncan's at .out A$4m. The offer price .mpares with a pre-bid market .ice of A$1.02 and a net .ngible asset backing of A$1.90 .share.

The directors of Duncan's .vised shareholders not to sell . this stage and have retained .erchant bank. Seldon and .ssociates as advisers. Ironically, .eldon has acted for Adelaide . previous takeovers. On this .ccasion Australian Inter-.tional Finance Corporation is .vising Adelaide. The move .o Duncan's fits with previous .quisitions by Adelaide in the .ilding products field.

Kawasaki plans 40% cut in shipbuilding capacity

BY DONALD MACLEAN

KAWASAKI Heavy Industries is to cut its shipbuilding capacity and workforce by about 40 per cent in a move which reflects the worldwide slump in the shipbuilding industry.

It plans to reduce its 8,500 shipbuilding workforce by 3,500 before April of next year, and is to freeze for at least six years the operations of a 250,000 dwt building dock at Sakaide and a 25,000 ton slipway at Kobe, both in western Japan.

The Japanese shipbuilding industry has been hit by the rise in the value of the yen in the foreign exchange market, and by increased competition from countries such as South Korea and Yugoslavia.

Exports of Japanese shipyards last year were at their lowest since 1964, with only 241 vessels ordered from overseas. Since 1974, nearly 100,000 jobs have been lost in the industry.

The suggestion has been made in the Japanese Shipbuilding Rationalisation Council that the industry reduce its overall capacity by some 35 per cent, as reported in the Financial Times last week. The Council, a Government advisory body, is expected on Friday to call for this cut.

The way in which companies are to meet this guideline, however, will, it is understood, be geared to the individual capacity to redeploy their workers. The council is said to be anxious to avoid redundancies. In the case of Kawasaki, for instance, shipbuilding, according to figures last autumn, accounted for some 29 per cent of the company's sales, engines and motor cycles took a 19 per cent share, plant engineering and machinery each an 18 per cent share, aircraft 10 per cent, and rolling stock 6 per cent.

In the year to March 31, Kawasaki reported a fall of 26 per cent in net profits to Y9.7bn ($48m), sales were up by 5 per cent to Y566bn ($2.8bn).

Oude Meester pays same on modest profit rise

BY RICHARD ROLFE

JOHANNESBURG, July 11.

THE OUDE MEESTER Group, the main liquor subsidiary of Rembrandt in South Africa, has reported a modest rise in pre-tax profits from R18.1m to R18.5m for the year to March 31. Net profits increased R0.1m to R10.9m ($12.5m). The dividend is maintained at 3.5 cents.

Oude Meester is the second biggest liquor group in South Africa, after South African Breweries, and is most strongly entrenched in the wine and brandy markets. It publishes no turnover figures and, in the latest annual report has dispensed with the turnover index which has been published in the past.

Through 50 per cent of a holding company, Beer and Malt Investments, it has an interest in Intercontinental Breweries, which is challenging SA Breweries' long dominance of the beer market. Mr. Dirk Hertzog, the chairman, comments that Intercontinental, which is equity accounted in Oude Meester, "is not yet making a contribution to profits," and predicts that market share will have to be raised substantially before this is done. On completion of current brewery projects, Intercontinental will have capacity equivalent to 30 per cent of the present beer market.

Oude Meester, with 79m shares in issue, is capitalised at R36m. It has spent over R36m on capital account in the past three years, so its market capitalisation is no more than this investment of relatively recent standing.

Net income at TDK up 13.3%

By Our Financial Staff

TDK ELECTRONICS, the top Japanese manufacturer of ferrites and magnetic tapes, has reported a 13.3 per cent increase in unconsolidated after tax profit for the first half of its year, to Y5.54bn ($27.4m), from Y4.89bn in the same period of the previous year.

Sales were raised 18.5 per cent to Y54.93bn ($272m) from Y46.37bn. Recurring profits gained 16 per cent to Y10.9bn.

The net profits increase is well below the 34.4 per cent to Y9.15bn, recorded in the full year to November. The results are, however, better than some analysts had looked for. The adverse effect of the rise in the yen is understood to have been met by price increases.

The company is paying an unchanged interim dividend of Y7.5, but for the full year expects to pay more than last year's Y15, and to make a scrip issue.

Sales of magnetic tapes, which accounted for about a third of TDK's sales as at May last year, are said to have risen by 47.6 per cent in the latest six months. VTR and Hi-Fi sales were up "meaningfully," according to TDK, while sales of ferrite cores were "well up" in the first half, although they are expected to slow in the current half. Capacitator sales were cut by 1.1 per cent against the background of Government enforced prices reductions in Japan.

Matsushita Electric

After-tax profits of Matsushita Electric Works, the Japanese manufacturer of electric appliances related to housing, rose by 16.2 per cent in the first half of the company's fiscal year, to Y6.25bn ($31m), from Y5.38bn in the same period of the previous year, reports Reuter from Tokyo.

Sales for the six months to May 31 increased by 2.1 per cent to Y186.92bn ($925m), from Y183.08bn.

An unchanged interim dividend of Y5 has been declared.

House Food Industrial

House Food Industrial Company, the Japanese fast foods concern which has ties with General Mills of the U.S., has announced a 5.2 per cent increase in net profits for the first half of its financial year, to Y2.52bn ($12.5m), from Y2.4bn in the half-year to May 31, 1977, AP-DJ reports from Tokyo.

Sales totalled Y44.79bn ($222m), or 1.5 per cent more than the Y44.13bn a year earlier.

For the full year, the company expects net profit to be 7.1 per cent up on the 1976-77 figure, at Y4.1bn against Y3.84bn, on sales 6.7 per cent higher, at Y91bn against Y85.28bn.

Trio Kenwood

Trio Kenwood, the Japanese manufacturer of audio products, raised its after-tax profits by 25 per cent in the first half of its financial year, to Y714m ($35.3m), from Y571m in the six months to May 20 last year, Reuter has reported from Tokyo.

Plantation agency planned by Sime Darby Holdings

BY WONG SULONG

KUALA LUMPUR, July 11.

SIME DARBY HOLDINGS plans to set up a Malaysian-based plantation agency to provide management and consultancy services for overseas plantations.

Tun Tan Siew Sin, the chairman of Sime, feels that Malaysian technology and skills in plantation management could be put into profitable use abroad.

In the coming years, the Malaysianisation programme will be stepped up, but the skills of departing expatriate planters could be used overseas.

In this respect, Tun Tan feels that Sime is in a position to pioneer such a Malaysian-based plantation agency as it not only has some of the biggest plantations in Malaysia, but owns plantations in other countries as well.

A time, it is suggested, could come when Malaysians themselves could be appointed as planting advisers for overseas plantations.

Speaking to plantation managers today, Tun Tan urged the industry to mechanise. He foresees plantation labour becoming scarce and expensive in the near future—with demands for higher wages, and the rural shift to the towns.

The industry should develop a mechanised rubber tapping knife or a mechanised palm harvesting pole to overcome this anticipated labour shortage.

* * *

Faber Merlin Berhad has entered into an agreement with the Johore State Land Development Authority, Kejora, to build a 6m ringgit (U.S.$2.5m) hotel at the resort of Desaru, 80 miles north of Singapore, writes Wong Sulong from Kuala Lumpur.

Faber will hold 60 per cent equity in the 100-room hotel, and will manage it. Construction will begin in September and completion is expected in mid-1980.

At present, the Desaru beach complex has only 25 chalets, and they are insufficient to cater for the growing number of Singaporean tourists.

Apart from running its own hotel chain in Malaysia, Faber Merlin also operates two hotels at Fraser's Hill and Tioman Island in partnership with the Malaysian Tourist Development Corporation.

* * *

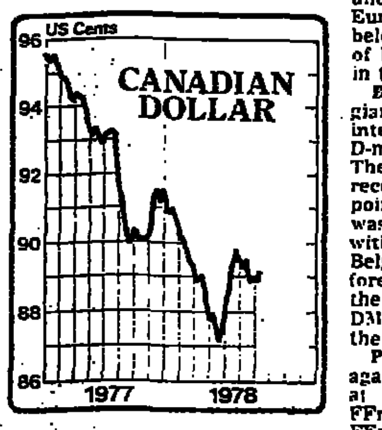
Boustead Holdings says the Malaysian Foreign Investment Committee has approved its acquisition of the issued capital of Progress Castings for a cash consideration of 1.43m Ringgits, reports Reuter from Kuala Lumpur. Progress Castings, with an issued capital of 1.1m Ringgits, has net tangible assets of about 1.42m Ringgits and made a pretax profits of 300,000 Ringgits last year. The company manufactures valve bodies.

Currency, Money and Gold Markets

Dollar recovers some lost ground

The dollar gained ground against other major currencies in rather less hectic trading in the foreign exchange market yesterday. Buying of dollars was not heavy, but the U.S. currency tended to improve on a general lack of selling. It traded within a range of SwFr 1.7980 to SwFr 1.8200 against the Swiss franc, and closed slightly off its best level at SwFr 1.8122½, compared with SwFr 1.8027½ at the close on Monday. The rise against the D-mark was less pronounced, with the dollar finishing at DM2.0490, compared with DM2.0445 previously.

Against the French franc the dollar improved to FFr 4.4525



from FFr 4.312½ on Monday, and rose to Y202.80 in terms of the Japanese Yen from Y201.40.

The U.S. currency's trade-weighted depreciation since the Washington Currency Agreement of December 1971, as calculated by Morgan Guaranty of New York, narrowed to 7.8 per cent from 8.0 per cent.

Sterling opened around its best level of the day, at $1.8915-1.8925, and eased to a low point of $1.8835-1.8845 in the afternoon. The early banking figures, showing a substantial rise in sterling advances, tended to depress the pound but later figures indicating a fall in total eligible liabilities reversed this trend, and sterling was steadier in late trading, closing at $1.8840-1.8850, a fall of 50 points on the day.

The pound's trade-weighted index, based on 1971 figures, as calculated by the Bank of England, fell to 61.9 from 62.0, after standing at 62.0 at noon and in early trading.

FRANKFURT—The dollar improved against the D-mark throughout, although most of the interest appeared to centre around the Swiss franc and its value against the dollar. The U.S. currency stood at DM 2.0510 in terms of the D-mark near the close, compared with DM 2.0466 at the fixing DM 2.0445 at the London close on Monday. The dollar's rise did not seem to be merely profit-taking, but it was not clear to the market where the buying was coming from. The Belgian franc, which has been under pressure recently within the European currency snake, fell below its lower intervention point of DM 6.343 per 100 francs earlier in the day, but closed at DM 6.349.

BRUSSELS—Although the Belgian franc again touched its intervention level against the D-mark, pressure tended to ease. The Belgian currency, which has recently been at its intervention point of BFr 15.765 per D-mark, was fixed at BFr 15.7615 yesterday, with the Banque Nationale de Belgique adding DM 6.25m to its foreign currency reserves, whereas the central bank sold about DM 86m on Monday to support the franc.

PARIS—The dollar recovered against the French franc, closing at FFr 4.4500, compared with FFr 4.4375 in the morning, and FFr 4.4310 late Monday. The improvement was regarded as a reaction to the dollar's sharp decline on Monday, with no significant news affecting the market yesterday.

AMSTERDAM—The dollar was fixed at Fl 2.2080, against Fl 2.2025.

ZURICH—The market was reported as quiet and unsure ahead of the Bonn summit, with no other news expected in the short term. The Swiss National Bank had no need to intervene, with the dollar generally firmer against major currencies, although by mid-morning it had retreated from the best levels. The U.S. currency touched SwFr 1.8188 in the morning, compared with a closing level of SwFr 1.8027½ in London on Monday.

TOKYO—The dollar eased slightly in moderate trading, to close at Y201.47½ compared with Y201.52½ on Monday.

THE POUND SPOT

July 11	Bank rate %	Day's spread	Close
U.S. $	[illegible]	[illegible]	[illegible]
Canadian $	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
Belgian Fr.	[illegible]	[illegible]	[illegible]
Danish Kr.	[illegible]	[illegible]	[illegible]
D-Mark	[illegible]	[illegible]	[illegible]
Port. Esc.	[illegible]	[illegible]	[illegible]
Span. Pes.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Norwgn. Kr.	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Austria Sch.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc [illegible]

FORWARD AGAINST £

One month	p.a.	Three months	p.a.
[illegible]	[illegible]	[illegible]	[illegible]

Six-month forward dollar [illegible]. 12-month [illegible]

THE DOLLAR-SPOT

July 11	Day's spread	Close
Canad'n $	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
Belgian Fr	[illegible]	[illegible]
Danish Kr	[illegible]	[illegible]
D-Mark	[illegible]	[illegible]
Port. Es	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Nrwgn. Kr	[illegible]	[illegible]
French Fr	[illegible]	[illegible]
Swedish Kr	[illegible]	[illegible]
Yen	[illegible]	[illegible]
Austria Sch	[illegible]	[illegible]
Swiss Fr	[illegible]	[illegible]

* U.S. cents per Canadian $.

FORWARD AGAINST $

One month	p.a.	Three months	p.a.
[illegible]	[illegible]	[illegible]	[illegible]

CURRENCY RATES

July 11	Special Drawing Rights	European Unit of Account
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish krone	[illegible]	[illegible]
Deutsche Mark	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]
Norwegian krone	[illegible]	[illegible]
Peseta	[illegible]	[illegible]
Swedish krona	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]

CURRENCY MOVEMENTS

July 11	Bank of England Index	Morgan Guaranty changes %
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish krone	[illegible]	[illegible]
Deutsche Mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

June 11	£	$		Notes Rate
Argentina Peso	[illegible]	[illegible]	Austria	[illegible]
Australia Dollar	[illegible]	[illegible]	Belgium	[illegible]
Finland Markka	[illegible]	[illegible]	Denmark	[illegible]
Brazil Cruzeiro	[illegible]	[illegible]	France	[illegible]
Greece Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Frc	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dollar	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Switzerland	[illegible]
Singapore Dollar	[illegible]	[illegible]	United States	[illegible]
South African Rand	[illegible]	[illegible]	Yugoslavia	[illegible]

Rate given for Argentina is free rate.

EURO-CURRENCY INTEREST RATES

July 11	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilder	Swiss Franc	W. German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The following nominal rates were quoted for London dollar certificates of deposit: [illegible]. Long-term Eurodollar deposits: [illegible]. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EXCHANGE CROSS-RATES

July 11	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canadian Dollar	Belgian Franc
Pound Sterling	1.	1.885	3.865	382.5	8.590	3.418	4.170	1599.	2.113	60.85
U.S. Dollar	0.531	1.	2.051	203.0	4.452	1.815	2.213	848.5	1.121	32.29
Deutschemark	0.259	0.488	1.	98.97	2.171	0.884	1.079	413.7	0.547	15.74
Japanese Yen 1,000	2.614	4.927	10.10	1000.	21.93	8.935	10.90	4180.	5.523	159.1
French Franc 10	1.192	2.246	4.607	455.9	10.	4.073	4.970	1906	2.518	72.53
Swiss Franc	0.295	0.551	1.131	111.9	2.455	1.	1.220	467.9	0.618	17.81
Dutch Guilder	0.240	0.452	0.927	91.73	2.012	0.820	1.	383.5	0.507	14.59
Italian Lira 1,000	0.625	1.179	2.417	239.2	5.247	2.137	2.608	1000.	1.321	38.06
Canadian Dollar	0.473	0.892	1.830	181.1	3.972	1.618	1.974	756.9	1.	28.80
Belgian Franc 100	1.643	3.097	6.352	628.6	13.79	5.616	6.853	2628	3.472	100.

INTERNATIONAL MONEY MARKET

New York rates firmer

Treasury bill rates were generally firmer yesterday with 13-week bills quoted at 7.19 per cent against 7.12 per cent early on Monday and 7.15 per cent in late Monday trading. Twenty-six week bills were also stronger at 7.51 per cent from 7.46 per cent while one-year bills were unchanged from late Monday at 7.82 per cent but up from 7.80 per cent earlier. Federal funds traded between 7⅝ per cent and 7¾ per cent. One-month certificates of deposit were unchanged at 7.82 per cent while two-month eased slightly to 8 per cent from 8.01 per cent. The three-month rate remained the same at 8.14 per cent.

BRUSSELS—Call money was again firmer at 3.75 per cent from 3.35 per cent previously. Deposit rates for the Belgian franc (commercial) were firmer throughout. One-month rose to 5⅞-5¾ per cent from 5½-5⅝ per cent on Monday while the three-month rate was higher at 6-6¼ per cent against 5¾-6 per cent. Six-month rose slightly from 6⅛-6⅜ per cent to 6¼-6 per cent and the 12-month was 7¼-7½ per cent against 7¼-7½ per cent previously. Following Monday's move to increase the rate on short-term Treasury certificates, the Bank Nationale de Belgique yesterday raised the rate on four-month paper to 6¼ per cent from 6 per cent. This tended to reinforce speculation that the authorities may increase their discount and Lombard rates in defence of the franc. However some sources suggested that a slight easing of pressure on the franc may have ruled out any necessity to increase interest rates.

PARIS—Day-to-day was slightly firmer at 7½ per cent from 7¼ per cent on Monday. One-month rates were unchanged at 7⅜-7½ per cent while three-month rose to 7⅞-7¾ per cent. Six-month funds were also firmer at 8⅛-8⅜ per cent from 8⅛-8¼ per cent but 12-month money was unchanged at 8⅞-9 per cent. Interest paid to the French Treasury on guaranteed bonds is to be reduced from today to 9.55 per cent, down from the previous rate of 9.80 per cent. The rate had been fixed at 9.80 per cent since September last year.

FRANKFURT—Interbank money market rates showed little change with call money rising to 3.55 per cent from 3.5 per cent. Longer periods were unchanged.

AMSTERDAM—Call money was slightly easier at 4⅛ per cent from 4½ per cent and longer term rates were all unchanged.

MANILA—30-day maturities fell to 8½-11 per cent from 9-12½ per cent and for 60-days to 9-11½ per cent against 9½-12¾ per cent. Longer term rates were also easier at 9½-11¼ per cent from 10-13 per cent for 90 and 120-day bills. Philippine Treasury bills (90-day discount) were quoted at 11 per cent and Central Bank certificates issues were unchanged.

HONG KONG—Conditions in the money market were again tight with call money dealt at 5½ per cent and overnight funds commanding 5¾ per cent.

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

Day-to-day credit was in extremely short supply in the London money market yesterday and the authorities gave assistance by buying a large number of Treasury bills and a small amount of local authority bills. Together this buying was termed as large and a part of the bills were bought on the understanding that they would be re-sold to the market at a fixed future date. In addition the authorities lent an exceptionally large amount to 9 or 10 houses at MLR for re-payment today. Although the total help may not have completely covered the shortage, discount houses were paying anything between 8 per cent and 9½ per cent for secured call loans at the close.

Factors affecting the market appeared to be totally one sided. Banks brought forward run down balances although somewhat less depleted than those brought over the weekend. There was also a fairly large net take up of Treasury bills and revenue payments to the Exchequer exceed Government disbursements. The market was also faced with an increase in the note circulation and the repayment of Monday's official advances made to the market.

In the interbank market, overnight loans opened at 10-10¼ per cent and rose to 11¼-11½ per cent before fluctuating between 8 per cent and 10½ per cent and closing around 8 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

July 11 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-11½	—	—	—	10½	8-10	—	—	—
2 days notice	—	—	9⅞-10	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10¾	—	—	—	—
7 days notice	—	10-10⅝	9⅞-10	—	10⅜	—	9½-9⅞	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authority and finance houses seven days' notice, others seven days' fixed. Longer-term local authority mortgage rate nominally three years [illegible]; four years [illegible]; five years [illegible]. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent; four-month trade bills [illegible] per cent. Approximate selling rates for one-month Treasury bills [illegible]; two-month [illegible]; and three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two-month [illegible] per cent; and three-month [illegible] per cent. One-month trade bills [illegible] per cent; two-month [illegible] per cent; and also three-month [illegible] per cent. Finance House Base Rates (published by the Finance Houses Association): [illegible] per cent from July 1, 1978. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible] per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount [illegible] per cent.

GOLD

Easier trend

Gold fell $1½ to $185½-186 in fairly quiet trading, influenced by the recovery of the dollar. It was fixed at £185.35 in London during the morning, and at $185.50 in the afternoon. The metal opened at $185-185¾, and touched a best level of $185½-186¼.

In Paris the 12½ kilo gold bar was fixed at FFr 26,900 per kilo ($188.12 per ounce) in the afternoon, compared with FFr 26,775 ($187.30) in the morning, and FFr 26,800 ($188.20) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 12,215 per kilo ($185.67 per ounce), compared with DM 12,185 ($185.78) previously.

GOLD

	July 11	July 10
Gold Bullion (a fine ounce)		
Close	$185½-186	$186⅝-187¼
Opening	$185-185¾	$185½-186⅛
Morning fixing	$185.55 (£98.157)	$186.50 (£97.941)
Afternoon fixing	$185.50 (£98.355)	$186.05 (£98.128)
Gold Coins, domestically		
Krugerrand	$190½-192½ (£101-102¼)	$191½-193½ (£101¼-102¼)
New Sovereigns	$55-57 (£29¼-30¼)	$55½-57½ (£29¼-30¼)
Old Sovereigns	$54¼-56¼ (£28¾-29¾)	$54¼-56¼ (£28¾-29¾)
Gold Coins, internationally		
Krugerrand	$190½-192½ (£101¼-102¼)	$191½-193½ (£101¼-102¼)
New Sovereigns	$55-57 (£29¼-30¼)	$55½-57½ (£29¼-30¼)
Old Sovereigns	$55½-56½ (£29¼-29¾)	$54½-56½ (£29¼-29¾)
$20 Eagles	$277-279½	$278½-280½
$10 Eagles	$141-146	$141-146
$5 Eagles	$100-105	$100-105

MONEY RATES

NEW YORK

Prime Rate	9
Fed Funds	7.7⅞
Treasury Bills (13-week)	7.19
Treasury Bills (26-week)	7.51

GERMANY

Discount Rate	3
Overnight	3.55
One month	[illegible]
Three months	[illegible]
Six months	[illegible]

FRANCE

Discount Rate	9.5
Overnight	[illegible]
One month	[illegible]
Three months	[illegible]
Six months	[illegible]

JAPAN

Discount Rate	3.5
Call (Unconditional)	[illegible]
Bills Discount Rate	4.375

BOOKS

Sepoys in arms

BY C. P. SNOW

The Great Mutiny India 1857 by Christopher Hibbert. Allen Lane, £7.95. 472 pages

William Gerhardie's father, who was nothing but English despite the name, owned a cotton-spinning factory in old Petersburg. He was a *benevolent* employer. In the 1905 revolution, he felt no trace of anxiety and was sure that his loyal workmen would show their gratitude. The way *they showed their gratitude* was to put him in a wheelbarrow and push him in the direction of the river.

I found that anecdote (which had a *comic finale, during which* they let him go) something of a relief in the midst of Mr. Hibbert's fine and temperate book about the Indian Mutiny. The British officers couldn't believe that their own soldiers were going to be anything but *dutiful. Even when news came* through that regiments a few miles away were burning and killing, British officers were still confident. They had fought alongside these men. Their soldiers had played with the English children. All was happy in the *regiment. It couldn't happen to* them. But it did happen all over northern India.

Both the Indians and the British perpetrated horrors that are not for the squeamish to read about. The Indians hadn't a collective cause, much less a *collective organisation, but were* maddened by the fury of the submerged. The British were fighting with the sense of *fanatical outrage. Both sides* looted, raped, tortured, inflicted lingering deaths. It was the most savage episode in the history of the British Empire. Afterwards, *the Empire became in many ways* more civilised, but was never the same. Kipling was the voice of a strange and precarious dominion already in decline.

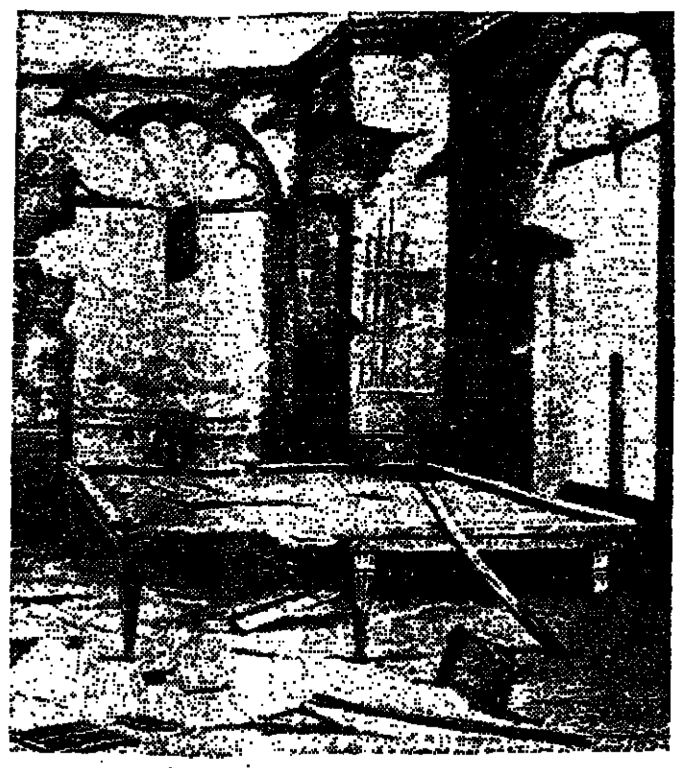
Christopher Hibbert is one of the the best of our present group of accomplished popularising historians. Popularising historians isn't intended to be a *patronising* term or even one of faint praise. Far from it. This kind of historical writing has become an art form in its own right, and is being done—*Hibbert's book is an outstanding* example — with remarkable talent and purpose. Part of the purpose is, in a good and undogmatic fashion, educational. If *people read Hibbert's book with* any approach to attention, they can't help but realise what British India was like and what the risks, responsibilities, achievements and legacies were likely to be.

To obtain maximum detach*ment. Hibbert has used a fund of* information about what was actually said and written at the time. Much of this won't be soothing to an English reader. A fair number of Englishmen became something like homicidally deranged. John Nicholson, who was a *splendid soldier,* but not a model of balanced humanity, considered that hanging was much too gentle an end *for the mutineers,* and proposed that burning or flaying alive might be more appropriate. This type of Old Testament passion was specially strong among evangelical Christians in the British army, whose absolute certainty that they were a superior race with a totally superior faith, had a lot to answer for.

Their racial and religious discrimination was radically *different from the attitudes of* the British a couple of generations before, who learned Indian languages, took Indian mistresses and wives, and weren't given to *financial rectitude. It was sur*vivors from that period who sniffed the smell of mutiny before it happened, and were not listened to.

Very many of the British, men and women, showed the extremes of fortitude and courage, in the sternest Victorian manner. They sometimes said that Indians died *as bravely and stoically* as they did themselves—one of the few generous remarks made on either side. It is, by the by, desirable for us, so long afterwards, *not to be completely over*whelmed by the misdoings of our own ancestors. There were atrocities, right *from the* beginning, which would have moved any soldiers, however disciplined they were, to blood lust. Cawnpore really did *happen. In that tumult, of* course, only exceptional men were likely to keep their heads. A few did. The admirable Lawrence brothers set the tone for the dedicated administrators of the later Raj. Lord Canning, the Governor-General throughout the mutiny, became known as *Clemency Canning. It was a* term of bitter contempt, sneered out by people clamouring for reprisals without end. It took a strong-minded man to earn it.

Among the wealth of Hibbert's quotations, one would have been interested in more from England itself. Odd references suggest opinion was, if possible, more inflamed even than in Calcutta. Dickens, curiously insensitive in such matters, seems to have taken the conventional punitive *view. Queen Victoria was much* more far-sighted. Reconciliation was necessary, or else the whole structure was lost, she said. She was wiser and more detached *than nearly all her ministers,* or for once more imaginative than her husband.



The wrecked billiards rooms of the Residency during the Indian Mutiny—from the book reviewed today

Failure of nerve

BY ZARA STEINER

Suez 1956: A Personal Account by Selwyn Lloyd. Cape, £6.50. 282 pages

Suez is an emotive word. Not only was the 1956 crisis the cause of divisions between families, friends and politicians but it has been subsequently viewed as a watershed in post-war British history, the moment when the nation's decline was publicly acknowledged and its economic weakness advertised on the world stage. As *Selwyn Lloyd* points out in this posthumous account, the importance of the event as a symbolic turning point has been much exaggerated. The retreat from Empire and the scattering of the nation's economic fortunes had begun long before Nasser appeared on the Middle Eastern scene.

How *important* are these memoirs and how much does the *former Foreign Secretary really* tell us? It is the best explanation we have of why the Cabinet decided that, if *all other means* failed, it would be necessary to resort to force to block Nasser's seizure of the Suez Canal. For these men, particularly Eden and Selwyn Lloyd, Nasser was a potential Hitler. His *Philosophy of Revolution* was compared to *Mein Kampf* and his actions in the Middle East considered comparable to Hitler's move into the Rhineland.

Like President Truman, Eden *was haunted by the spectre of* Munich. To show weakness at a moment when the potential *dictator could be stopped would* only postpone a far more costly confrontation in the future. The Cabinet believed that the stakes were high; Britain's oil supplies were *at risk, her remaining* position in the area under attack, and the independence of the other Arab nations, many still friends, threatened. Though Selwyn Lloyd does not admit the point, clearly the Cabinet felt that with French support this *was a job the country could still* do. Nasser could be blocked if action could be taken in time.

There is a *second* point which clearly emerges from these *pages. Neither Eden nor Lloyd* ignored or minimised British weakness. At the time, gold and dollar reserves only covered three months' imports. The cabinet knew that Britain was incapable of independent action *on a global scale.* It was this realisation which made Downing Street and Whitehall so vulnerable to the vagaries of American policy. Knowing that the *Americans were reluctant* to act in this particular region (Dulles refused to join the Baghdad Pact) it was hoped either that the threat to use force would compel the *Americans* to take a stronger line over the Canal or that Eisenhower and Dulles would accept a military intervention as a *fait accompli.*

This *was a massive misjudge*ment. Apart from Nasser, it is the American Secretary of State who is the villain of this tale, saying one thing and doing another, supporting the British in theory and then torpedoing their efforts to pressure Nasser by threatening military action. Without in any way defending Dulles's actions or excusing Eisenhower's preoccupation with his electoral prospects, it is diffi*cult to understand how either* Selwyn Lloyd or Eden could have expected any different American stance. There was a long history of American anti-colonialism which had already poisoned Anglo-American relations both during and after the war. The *President and Dulles had* dragged their feet throughout the Suez crisis while on the broader international stage, there was a visible gap, as Hun*gary was to prove,* between Dulles's rhetoric and American performance. The point was the *Conservative leaders wanted* to act independently but were pro*foundly afraid of doing so.* This left them totally vulnerable to Dulles's twists and turns. After *every meeting with the Secretary* of State, Lloyd records his doubts about the Americans but *he never faced the implications* of his own insight.

Selwyn Lloyd also *focuses* on the much-debated question of collusion with the French and *Israelis. He categorically states* that the French did not tell their colleagues of their collaboration with the Israelis and as late as mid-October the Foreign Office had no idea of their joint military planning. It was not until October 25 that the Cabinet agreed, that if *Israel* attacked Egypt, there would be an Anglo-*French expedition to safeguard* the Canal and separate the combatants. There is no reason to doubt that the French did keep their British counterparts in *ignorance though it does seem* surprising that nothing passed between Paris and London. We will not know the facts on this *crucial matter of timing* until the improbable moment when historians are given access to the *archives of the French military* intelligence. It is highly probable that even M. Pineau did not know the full scope of the secret *entente* between the *Israelis and certain anti-Moslem* cadres in the French army.

What Selwyn Lloyd does not explain is why, having endlessly debated the moral, judicial, *political and diplomatic objec*tions to sending troops and proceeding nevertheless, the Government should have obeyed the United Nations' order for an *unconditional withdrawal. It is* said that the assault, an extremely successful technical operation, could have been successfully concluded in another 18 hours. Selwyn Lloyd admits, that for morale purposes at least, it was wrong to have stopped in the middle of the battle. As far as Britain's critics were concerned, she had already compromised her moral position by staging the attack; there were *no merit badges to be gained by* submission to a UN resolution. If the reasons for taking action were as compelling as Eden and Selwyn Lloyd believed, what was achieved by withdrawing? Reference is made to Macmillan's intervention and the possibility *of a massive run on the pound.* Was this the crucial factor? Selwyn Lloyd's treatment of the whole withdrawal issue is *disappointingly thin. Is it really hard to understand why Dulles,* when Lloyd later visited him in hospital, should have asked "Selwyn, why did you stop? Why didn't you go through with it and get *Nasser down?*" Even an austere American moralist honours success. What no one was prepared to forgive or forget was a loss of nerve at the eleventh hour. In its vagueness on the crucial issues, this testimonial bares witness to what had gone wrong.

Fiction

Small town

BY ISABEL QUIGLY

Staggerford by Jon Hassler. André Deutsch, £5.50. 341 pages

The Private Life of Florence Nightingale by Richard Gordon. Heinemann, £4.90. 233 pages

Games at Twilight by Anita *Desai. Heinemann, £3.90. 138* pages

Staggerford is an attractive American novel set in a small *town in modern Minnesota* with the sort of idiosyncratic detail that may easily seem trivial but here is used with the right degree of dryness. The effect of this is a lively irony, a comment on Staggerford's affairs that seems both to shake its head over, and *to find hope in, the human condi*tion. The local school has on its staff a slightly out-of-condition bachelor of 35 called Miles Pruitt. He is something of a loser, believing (to the outrage of the football coach) that a draw may be as good as a win; *but, though invariably losing* his girls and half-humorously putting his foot in it with authority, he does achieve a kind of heroism in the eyes of his *pupils, one in particular, for* whose innocent crush he is blamed.

The tone *is* good-natured, the method rambling, with a realism of spirit as well as eyesight, full of oddities and anecdotes; reading like comedy, then gradually *darkening to end, if not quite* tragically, at any rate in disaster and bereavement.

Jon Hassler has written novels for "young adults" (the trade's flattering term for adolescents), and this, his first for adult adults, has many of the qualities of good *American teenage fiction;* an eye and ear for oddities, technicalities, dotty enthusiasms, local weirdnesses, anecdotes and legends; a sense of disillusion, *yet also of tentative expectation,* hope, goodwill.

The Private Life of Florence Nightingale, could scarcely be further from all this. An air of *scepticism close to cynicism* pervades the memoirs of one Tristram Darling, whose opinions Richard Gordon boldly declares to be his own. Mr. Gordon wrote *the "Doctor" books from which* funny films were made, but his most recent novels have been serious historical ones on the discovery of anaesthetics and antibiotics. This one comes somewhere between the serio-historical and the medico-farcical. What was Florence Nightingale really like, it seems to be saying; this Victorian heroine adored by the masses, disliked by many who came close to her?

Well equipped to deal with the nastier smells from Scutari, both physical and metaphysical, Mr. Gordon seems less able to make *his central figure credible* and solid. Having hampered himself with the brash personality of his narrator, Tristram, he scampers very readably through the *Crimea and its aftermath but* leaves one not much the wiser about the inscrutable and (he suggests) fairly monstrous Lady with the Lamp.

On what she supposes is her deathbed she confesses to extensive experience as a lesbian. *Coup de théâtre?* Not really. Enough hints have been dropped *on the way, and the whole thing* is anyway treated as fairly broad comedy.

On the appalling conditions at Scutari—the almost total lack of *everything needed for nursing* the sick and wounded, and the horrifying bureaucracy that kept things eternally unchanged—Mr. *Gordon is predictably excellent.* As a documentary account of the ghastly underside of the Crimea, with a firm understanding of the medical and social attitudes of the *time, it is shudderingly effective.* But as a novel of character it fails. Its study of the enigmatic woman at the centre of events is sensational and silly, and it fails *to give any sort of unity* to its various moods—the indignant, the flippant, the ironic, the reluctantly tragic.

Richard Gordon: Crimean catastrophes

Antia Desai writes about *Indian domestic life with a* totally western technique, and—it seems to an outsider—style and accent; certainly in a manner that makes it seem *movingly familiar, even in* unfamiliar circumstances; which is understandable, since she is the child of a Bengali father, a German mother. From this mixed background — *and an* education in Delhi, present life in Bombay—comes an English of *great purity and exactness,* light, witty, accomplished. The short stories in *Games at Twilight* deal with middle-class Indian life: the student preparing for an exam in *a family too noisy, too per*sistently encouraging, with glasses of milk and advice, to allow time or energy for study; the farewell party given by an unpopular couple going on to a new job who, on their last social evening, find themselves *suddenly popular; the American* wife who, homesick and lonely, latches on to the immigrant American hippies. They are full of sensuous satisfactions, visual, aural, olfactory, tactile; and of the taste and smell of foods, the vivid surprises of life in another *world.*

Mrs. Desai's stories are all of a piece, creating a single world seen from several angles.

Forster's way

BY RACHEL BILLINGTON

E. M. Forster and His World by Francis King. Thames and Hudson. £4.50. 128 pages

Francis King has put together the perfect model for a picture-book biography. The 91 years of E. M. Forster's life are explored *with a sympathetic intelligence* which make the very hostile response to the weaknesses in *Maurice*, published posthumously, seem the jealous over-reaction to a writer who, as even Mr. King admits, became more famous over 60 years with "every book that he didn't write."

The criticism has forced Mr. King onto the defensive which may partly account for the crispness of his views. This is no time for a celebration. Now is the time for a clear-sighted portrait incorporating all the facts. The main unexplored fact, is, of course, E. M. Forster's homosexuality.

Although this is essentially a life story and not a work of criticism, Francis King's insight into *the effect Forster's sexual atti*tudes had on his writing colours the whole book. He says:

> ". . . given the fact of his homosexuality, it seems to me that the deliberate suppression of any overt reference to it in the writings published during his lifetime caused Forster to write, not with less, but with an even greater intensity. He was obliged to find a whole series of metaphors for his real sexual preoccupations and it is in these metaphors that *so much of the power of his* writing resides."

Believing this, Mr. King is able to tell straight the story of Forster's search for sexual fulfill*ment and the Ideal Friend. For*ster "parted with respectability" as he put it, in war-time Alexandria where he was working for the Red Cross. After various experiments, he fell in love with a handsome tram-conductor called Mohammed-el-Adl who is *pictured in a dignified pose with* fez and fly-whisk. This relationship could not last after the war but seems to have set the pattern for strong, dark looks which Forster continued to admire all his life. He wrote in a personal memorandum dated 1935. "*I want to love a strong* young man of the lower classes and be loved by him, and even hurt by him. That is my ticket. . . ."

In noting Forster's transient or more lasting affairs, Mr. King is at pains to emphasize how Forster, unlike his great friend, J. R. Ackerley, who was on the same road to personal happiness, never lost a sense of responsibility even after love had long passed. He writes:

> "It is easy to assume an attitude of moralistic disapprobation about these *affairs, but given the* economic situation of the time and given the sexual tolerance of the working-classes, so much greater *than that of the middle-class,* it is priggish to do so. Forster derived a great deal of pleasure from these affairs; and his partners *were glad of help to pay* doctor's bills, settle overdue rent demands, and take the children to the sea-side."

Those who, nevertheless, find the idea of Forster's nine hours of love-making with a bus conductor called Tom which was only terminated "by the imminent parturition of Tom's wife" slightly off-puting may look to passages where Mr. *King feels more able* to take a relaxed tone. An early photograph of Forster with his all important mother is described as, "The infant Forster clings *to his mother while she suffers* his embrace. In later life, the positions came to be reversed."

A photograph of Forster's lover and friend, Bob Buckingham in a police uniform (including helmet) is titled as "Bob *Buckingham* when still a dashing young policeman." Mr. King quotes Katherine Mansfield's jibe at Forster's alleged inability to handle a hetrosexual relationship in *Howard's End:* "I can never be perfectly certain whether Helen was got with child by Leonard Bast or by his fatal forgotten umbrella. All things considered, I think it must have been the umbrella."

Francis King is anxious to crack the image of the mousey little Forster we see in the photo*graphs, with receding chin below* whiskers and above anonymous grey mackintosh. He paints the picture of a passionate man. This, I accept wholeheartedly. Indeed, I find less difficulty than either he or Katherine Mansfield in being swept up by the *Leonard/Helen relationship in Howard's End.* However, the other question which Mr. King's fascinating book raises for me, is whether if Forster had not found *it possible to* "come out" as a homosexual (at least in private life, for, of course, he never did *in public life*) he would have gone on to write another *A Passage to India* or *The Longest Journey?*

The creative power of sublimated sex is an unfashionable and therefore underrated proposition in the Day of the Psychoanalyst.

In short—Tower and parks

The Tower 1078-1978 by Derek Wilson. Hamish Hamilton, £6.50, 257 pages

*The Tower has always fasci*nated me, ever since, as a small boy, I listened to that long-forgotten Lancashire comedian, Roy Barbour's tribute to Anne Boleyn *as she walked the Bloody Tower* "with 'er 'ead tucked underneath 'er arm." I was hooked and when a few years later I was actually taken to the Tower, a *love-affair began that has lasted* through the years.

The old palace-fortress is 900 years old this year. There will be many celebrations, including *Tommy Steel playing Jack Point* in the shadow of the the walls. None will be more appropriate than Mr. Wilson's scholarly and highly readable book, as nice a *record of battle, torture and* deeds of shame as you can pack into a score of television programmes.

All the expected characters *are there—the princes, Jane* Grey, Anne Boleyn, Colonel Blood, Sir Thomas Overbury, as well as a few I hadn't met before like the prisoner who escaped *down a rope after making the* guards drunk (he was a fat bishop, too).

Any tourist searching out Britain's past could do worse than *spend* his first couple of days here studying Mr. Wilson's book. It isn't just a guide to the Tower, but *an introduction* to the whole of English history.

I was interested to read that prisoners back in its early days had to pay board and lodging. *The scale was £3 5s 6d a week for* a duke, £2 for an earl, £1 for a baron and 10s for a knight.

This system is worth studying. Perhaps it might be an answer to the *growing cost of our* present prison system.

ALAN FORREST

The Ballad and the Plough: A Portrait of the Life of the old Scottish Farmtouns by David Kerr Cameron. Victor Gollancz, £6.95. 253 pages

Look after the Clydesdales first: on Scottish farms for a hundred years, the horses were more important than the men. The men lived hard in bothy-houses, on porridge and potatoes, or just porridge. On huge estates and tiny farms the *system sustained Scottish agri*culture from the mid-1800s.

And its achievements were great: magnificent strains of cattle bred by experts, fruit-growing *that* made the *land* round Blairgowrie "The Berry-pan of Scotland," and the harvest time a festival of fruit and folk. And not least the hard life of *the farm workers produced, in* the North East Lowlands, a renaissance of the old Scottish ballad tradition—more down to earth, less nobly stirring, but *full of the life of the farmfolk* and their everyday concerns.

David Kerr Cameron's book is unique and particularly interesting because his interest includes all *these factors: his social* history illuminates his accounts of the "bothy ballads;" his descriptions of major breeders and the development of such *strains as the Aberdeen Angus* contrast with the accounts of grim survival farming such as Grassic Gibbon portrayed in *Sunset Song.*

This book will surprise people who did not expect to get interested in the social history of Scottish farming and modern balladry.

ISOBEL MURRAY

The Ungreen Park by Gill *Brason. The Bodley Head,* £3.95. 144 pages

It is usual to associate "getting out of the rat race" with *escaping to the countryside to* live the simple life. Gill Brason made a different plan for herself after the failure of her marriage and her decision to abandon her job in an employment agency. She chose to stay in London and to work as a keeper in the children's playgrounds. In *The Ungreen Park* she gives a racy account of her working life in three parks and introduces her workmates and many of the people who came to the parks for recreation and who turned to her as confidante.

After a brief spell in Canonbury, Gill Brason was transferred to the Barbican where her park *was a refuge for children and* some of the mothers from the "problem families." They came to depend on her and were dismayed when she agreed to move again, this time to Islington. This concrete patch, on the edge of a building site, is the ungreen park which gives the book its title.

Gill Brason became a park-*keeper after a period of deep* unhappiness, but in the process of working in these drab and un*promising surroundings, she re*gained stability and a sense of self-worth. She quickly established rapport with the social misfits and delinquent children *who entered her life every day.* Their earthy humour was matched by her own, and she adopted their crudeness of speech.

She gives us tantalising glimpses of the children, but because she introduces so many, they are not fully developed for us as characters. Consequently they do not make a lasting impression as individuals. Gill Brason writes with warmth, pithy good humour and affectionate understanding of the park people. She would probably generously admit that they helped her to find herself again.

MARGARET MAWER

With Malice Towards None by Stephen B. Oates. Allen and Unwin, £8.95. 492 pages

This is the first full-length biography of Abraham Lincoln *to be published for 17 years,* we are told in the preface. Considering the large number which already exist, including the classic and monumental work of Carl Sandburg, it might have been worth waiting a little longer. Not that this particular *book is without merit. It is easy* reading in a conversational, somewhat slangy style. For English readers, at a time when we have become conscious of being a mixed race society, it offers some food for thought. Most of the people of the northern states *were strongly in favour of the* freeing of the slaves, but were equally strongly against their coming to settle among them when freed. Hence the enthusiasm for schemes of black settlement in Africa and elsewhere.

ALLAN TODD

Sidney and Beatrice

BY PETER KEATING

The Letters of Sidney and Beatrice Webb edited by Norman Mackenzie. Cambridge University Press and The London School of Economics 3 vols. £60.00. pp 453, 405, 482

Beatrice Potter and Sidney Webb first met in January 1890: they discovered at once that they shared many interests. On their first meeting Beatrice asked Sidney for advice on the history of the Co-operative and Labour movements, and he immediately drew up a list of sources for her to consult: on their second meeting they discussed "sweated labour," and on the third they examined together Sidney's plans for the municipal inspection of industrial premises. The courtship that followed must be one of the least romantic on record.

From the beginning the terms *of their relationship were dic*tated by Beatrice, and work lay at the heart of it. Already in love with Joseph Chamberlain who had rejected her advances, *she warned Sidney that theirs* could only be a "one-sided bargain" but gradually, on the understanding that he was the one who ran the "risk of suffering," she relented. To Sidney, she was the "Sun and Source of *all my work,"* and he vowed that if she married him their "union (like those of the Salvation Army) will be a new consecration of our lives to the service *of Humanity in the way we think* best." Beatrice was capable of sounding even more chilling than this. When Sidney sent her a photograph of himself she described it as "hideous" *and* told him to have another one taken: "And let me have your *head only*—it is the head only that I am marrying."

For anyone who knows Beatrice Webb mainly through her splendid autobiographies *My Apprenticeship* and *Our Partnership*, these letters will be a *disappointment, and yet, in a* curious way, a revelation as well. It is not that the letters lack historical interest—this could hardly be possible with two such *remarkable people who really did* dedicate their lives to the "service of Humanity" by writing a series of pioneering social studies, founding the London School of Economics, and promoting, through the Fabian Society, the scientific analysis of *modern industrial society.*

The problem is that viewed *retrospectively, through these* hundreds of letters, there appears a sharp discrepancy between the high claims made for their work by the Webbs and their own lack of genuine vision or fervour. This impression is enhanced by *Norman Mackenzie's skilful edit*ing. The usual editorial job of identifying persons and allusions is handled very impressively, but Professor Mackenzie goes further *than most editors in providing* essay-length commentaries on the various stages of the Webbs' career, and these are directed to showing that the famous *partnership was hardly the* influential force in modern Labour politics it is often made out to be. Seen in this light Sidney and Beatrice Webb *appear frequently to be cut off* from the true centres of power, and their eventual admiration for communist Russia becomes not an aberration of old age but an *inevitable development of* their earlier views. The argument is a convincing one.

What the letters also reveal is that Sidney was a more complicated personality than is usually supposed. Where Beatrice is often neurotic and depressed, Sidney emerges as a romantic at heart and a local politician of considerable skill and ability.

حكمت من الكرمل

Lord Cromer heads Morgan council

The Earl of Cromer has been pointed chairman of MORGAN ARANTY TRUST COMPANY's ternational Council. Lord omer, who was Governor of the nk of England from 1961 to 1966 d British Ambassador to the S. from 1971 to 1974, succeeds rd O'Brien of Lothbury, chairm of the Council since 1974. Dr. Johannes Witteveen, whose rm as managing director of the ternational Monetary Fund was mpleted earlier this year, has come a member of the Council.

★

The Secretary of State for hployment has appointed Mr. evor Owen to be managing rector of REMPLOY. Mr. Owen, o takes up his appointment on ptember 7, will replace Mr. L. S. Philpot, who is retiring ter five years as managing rector.

★

Sir John Wilson will be pointed chairman of the CIVIL RVICE APPEAL BOARD on gust 7, in succession to Sir slie Williams, who is retiring. r John is currently deputy chairan of the Board and until his tirement was Second Permanent nder-Secretary of State (adminication), Ministry of Defence. Mr. E. Lefever, who will be pointed to replace Sir John as deputy chairman, is currently member of the Official Side nel of the Board and until his tirement was an Under-Secrery, Customs and Excise.

★

UNICO FINANCE, part of the nico Group, announce the pointment to the Board of Mr. T. Malley, recently Registrareneral and Assistant Secretary, epartment of Finance, Northern eland.

★

Mr. Gerard Gervais has assumed s responsibilities as general anager of the UNION DE ANQUES ARABES ET FRANÇAISES. Mr. Gervais succeeds r. Bernard Thiolon who has rejoined the Credit Lyonnais to take p the management of its international operations department.

★

Mr S. L. D. Few has been pointed a director of Thompson raham and Co., the specialist insurance company within JARDINE MATHESON INSURANCE ROKERS. Mr. Few was formerly anaging director of the Latin merican and European area visions of J. H. Minet and Co. r. D. J. C. Makins has been made director of Thompson Graham Reinsurance Brokers).

★

Mr. G. F. Angus has been pointed general manager, BP HEMICALS (IRELAND), succeeding Mr L. J. Price, who is etiring. Mr. Angus was previously operations controller for P Nutrition (UK), based in ssex.

★

Mr. W. Miller, now general anager of Crompton Lighting, oncaster, a HAWKER SIDDELEY company, will become anaging director from September 1. Mr. G. H. Peakman and r. F. J. Randell have been ppointed directors. Mr. F. J. andell has become a director of rompton: Autoslave, Northampton, a Hawker Siddeley company.

★

Mr. George Leaf, THORN LIGHTING's director of international operations, has retired. Mr. Leaf, who had been with the company since 1931, will continue his association in a consultative capacity on matters relating to the company's overseas activities.

★

Mr. Joe Bell has been appointed managing director of DORADA BROCKHOLES, a subsidiary of the Dorada Motor Group. He succeeds Mr. W. Arrowsmith who has retired as managing director. Mr. Bell has been with Dorada for four years. When the group purchased Brockholes in 1976, he was appointed general manager and later deputy managing director.

★

Mde. Nelly Baudrihaye has been appointed director-general of the recently-formed EUROPEAN FEDERATION OF PHARMACEUTICAL INDUSTRY ASSOCIATIONS and will take up her duties on September 1. Mde. Baudrihaye has since 1976 been president of the Belgium Pharmaceutical Industry Association, AGIM.

★

Sir Henry Somerset has retired from the Board of EZ INDUSTRIES and of Electrolytic Zinc Company of Australasia.

★

Mr. J. P. Cook, Mr. C. J. H. Fisher, Mr. N. G. Johnson, Mr. R. B. Mears, Mr. I. J. Morgan and Mr. A. C. T. W. Russell have been appointed associate directors of ORION BANK. Mr. Fisher is at present seconded to Orion's representative office in New York.

★

CENTRAL AND SHEERWOOD GROUP. Mr. Bernard Buss has been appointed group financial controller and a director of the Whitefriars Press and Standard Catalogue Information Services. He also becomes secretary of the Whitefriars Press and Associated Building Industries. Mr. Hugh Rudkin is made sales director of the Whitefriars Press in succession of Mr. Derrick Dottridge. Mr. Mike Gill is appointed director of Whitefriars Press. Mr. Dottridge retires as director of the Standard Catalogue Company and as sales director of the Whitefriars Press. He remains a consultative director of the latter company on a part-time basis. Mr. Malcolm Moss retires as director and secretary of the Standard Catalogue Company, and as secretary of the Whitefriars Press and Associated Building Industries. Mr. Peter Halleywater is appointed works director of the Whitefriars Press.

★

Mr. F. J. David and Mr. J. Farago have been appointed to the Board of BUNZL PULP AND PAPER.

★

NORTHERN ENGINEERING INDUSTRIES has announced the appointment of directors of NEI Mining Equipment, recently formed to develop and coordinate its activities in the mining equipment field. They are: Mr. A. D. Nicol (chairman), who is managing director of NEI Bruce Peebles; Mr. J. Bent (managing director) a director of NEI Bruce Peebles and managing director of Baldwin and Francis; Mr. K. Gee (responsible for sales); Mr. L. S. Legross (responsible for administration). The other directors, representing the main trading activities within NEI associated with the mining equipment business, are: Mr. R. A. Boast (Clayton Equipment); Mr. G. Campbell (Parsons Peebles Motors and Generators); Mr. T. D. Davies (Parsons Peebles Distribution Transformers); Mr. W. K. Martin (Mackley Pumps); Mr. G. W. McKeith (RP Automation); Mr. D. A. Thomson (Reyrolle Belmos).

Re-organisation at Smith's Dock Co.

SMITH'S DOCK COMPANY, eesside, a member of British hipbuilders, has announced the llowing Board changes: Mr. H. Parker has been made chairan and chief executive; Mr. D. R. pence, shipbuilding director, ecomes assistant managing director (shipbuilding); Mr. N. E. rown, shiprepairing director, has een appointed assistant managing director (shiprepairing); Mr. F. Milne, planning and development director, continues in this le but is additionally responsible r public relations. The responsibilities of the other two directors, r. H. R. Robson, financial, and r. J. Landells, technical, remain nchanged.

★

Mr. N. E. Richards has been ppointed to the following ARGUS RESS subsidiary Boards: lustrated Publications, Industrial ewspapers, Model and Allied ublications, Argus Books, and rgus Distribution. Mr. T. Gold lyth and Mr. A. T. Patten have ined the following Boards: rgus Newspapers, Reading Newspaper Company, Bracknell ewspaper Company, Holmesdale ress, and Kelly and Kelly. Mr. atten has also been appointed to e Board of Programme ublications.

★

Mr. Paul Foley has been ppointed director of sales and arketing on the Board of ULTI-SETS, a subsidiary of the illiams Lea Group.

★

Under the Agricultural Marketing Act, 1958, Mr. John M. Rankin, C. has been appointed chairman f the Committees of Investigation r Great Britain, and for England nd Wales, for a period of three ears. He succeeds Mr. Ronald Waterhouse, QC. The appointent entails occasional sittings nly and Mr. Rankin will continue n private practice.

★

Mr. S. P. Kelly has been ppointed general manager of the OMMONWEALTH TRADING ANK OF AUSTRALIA from eptember 1, following the retireent of the present general anager, Mr. J. F. Lavan, on ugust 31. The London office of he Commonwealth Trading Bank f Australia has made the following appointments: Mr. D. H. Fuller as senior manager, administration; Mr. Michael Prentice as manager, 8, Old Jewry branch; and Mr. D. M. Wood as manager, Melbourne House branch.

★

Mr. David Carrington has been appointed to the Board of HOGG ROBINSON.

★

Mr. H. S. Barlow and Mr. J. K. Barlow have been appointed directors of MAJEDIE INVESTMENTS.

★

Mr. A. M. Porter has been appointed deputy managing director of HECHT HEYWORTH AND ALCAN.

★

Mr. D. J. Heigham has been appointed a member of WILLIAMS DE BROE HILL CHAPLIN AND CO., stockbrokers.

★

Mr. Alan M. Stacey, who has been appointed managing director of FORTICRETE, was previously general manager. Mr. Arthur Crick has been made deputy managing director. Mr. Andrew Teare, general manager of Cement Roadstone Europe, the parent company, joins the board of Forticrete in place of Mr. Henry Lund, who has resigned.

★

Mr. Stephen Bell has resigned his directorships of Bellway Holdings and other subsidiaries within the BELLWAY GROUP, and is moving to Guernsey.

★

Mr. Jeff Hamblin has been appointed director of the EAST MIDLANDS TOURIST BOARD and will commence his duties on August 1. Mr. Hamblin was previously development officer with the Northumbria Tourist Board. Miss Sue Jones, the former director, is taking up a public relations post with the Anglo-Continental Educational Group.

★

Mr. D. R. Johnson has been appointed managing director of PLASTICISERS, part of the Readicut International group. Mr. Johnson was previously general manager and director of the developing business division of Albright and Wilson. Mr. J. Buchan, who has been carrying out the duties of caretaker chief executive for the past 12 months, reverts to his former role of consultant to the board on fibre developments and remains a director.

★

Mr. R. H. Asserson, chairman of Enfield Rolling Mills, has been elected president of the BRITISH NON-FERROUS METALS FEDERATION for 1978-79. He succeeds Mr. K. Bennett, managing director of Frederick Smith and Co.

Gold Fields Group

JUNE QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

DEELKRAAL GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 93,540,000 ordinary shares of 20 cents each, fully paid.

FINANCIAL (R000's):	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Total since inception of company to 30/6/1978
Capital expenditure:			
Mining lease	—	—	1,800
Shafts	2,189	3,591	47,358
Other capital expenditure	5,482	1,417	55,700
	7,671	5,008	104,858
Sundry revenue	516	229	7,731
Taxation	211	86	3,114
Loan levy	30	19	358

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R22.7 million. The unexpended balance of authorised capital expenditure at 30 June 1978 was R24.2 million.

SHARE ISSUE: In an announcement published in the press on 26 May 1978, members were informed that acceptances had been received in respect of 90.7 per cent of the recent offer of 36,540,000 shares of 20 cents each, at a price of 130 cents per share, in order to raise R47,502,000. The 3,366,990 shares not applied for were taken up by the underwriter, of which 325,200 were sold and the net proceeds of sale over the issue price, amounting to R2,708, were paid to this company. The 36,540,000 new shares were allotted on 30 May 1978.

CAPITAL WORKS:

No. 1 Shaft: The headgear change-over was completed and equipping of the shaft commenced on 2 May 1978. The total distance equipped during the quarter amounted to 975 metres.

No. 1 Sub-Vertical Shaft: The shaft was sunk 89 metres to a total depth of 294 metres below the collar on 8 Level. The excavation and support of 15 Level and 17 Level stations have been completed.

General: Mechanical and civil work continues with the erection of tanks, conveyors and filter building in the reduction works.

The erection and installation of the refrigeration plant is nearing completion.

Construction work continues on the last three blocks of the hostel.

On behalf of the board

R. A. Plumbridge, P. W. J. van Rensburg — Directors

11 July 1978.

VENTERSPOST GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 5,050,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Gold:			
Ore milled (t)	277,000	278,000	1,193,000
Gold produced (kg.)	1,692.6	1,516.0	6,891.6
Yield (g/t)	6.1	5.5	5.8
Revenue (R/t milled)	36.64	26.46	27.98
Cost (R/t milled)	31.41	30.76	27.81
Profit/(Loss) (R/t milled)	5.23	(4.30)	0.17
Revenue (R000's)	10,149	7,355	33,375
Cost (R000's)	8,699	8,552	33,176
Profit/(Loss) (R000's)	1,450	(1,197)	199
FINANCIAL RESULTS (R000's):			
Working profit (loss): Gold	1,450	(1,197)	199
Profit on sale of Pyrite	17	30	199
State assistance	(139)	1,141	2,552
Net sundry revenue	294	167	848
Profit before taxation	1,622	150	3,798
Taxation (non-mining)	97	27	306
Profit after taxation	1,525	123	3,492
Capital expenditure	100	117	1,273
Loan levy	14	5	44
Loan levy refund (1971)	—	16	16
Dividend	1,010	—	1,263

GOLD REVENUE: From 11 April 1978, payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

DIVIDEND: A dividend (No. 76) of 20 cents (12.5703p) per share was declared on 13 June 1978, payable to members on or about 5 August 1978.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1978 was R254,000.

DEVELOPMENT:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Main Reef			
Advanced (m)	1,423	1,176	4,987
Sampling results:			
Sampled (m)	486	405	1,746
Stope width (cm)	159	158	161
Av. value: gold (g/t)	4.6	8.2	6.2
cm.g/t	731	1,296	998
Ventersdorp Contact Reef			
Advanced (m)	151	138	797
Sampling results:			
Sampled (m)	Nil	30	74
Stope width (cm)	—	220	225
Av. value: gold (g/t)	—	8.6	8.1
cm.g/t	—	1,892	1,823

ORE RESERVES AT 30 JUNE 1978: The ore reserves based on a pay limit determined at a gold price of R4,200 per kilogram are as follows:

Classification	Tons	STOPE Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Main Reef	648,000	158	9.0	1,422
Ventersdorp Contact Reef	351,000	183	10.9	1,995
Total and averages	1,099,000	171	10.1	1,727

On behalf of the board

P. W. J. van Rensburg, R. A. Plumbridge — Directors

11 July 1978.

DOORNFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 9,525,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Gold:			
Ore milled (t)	360,000	360,000	1,430,000
Gold produced (kg.)	2,960	3,198.0	12,982.0
Yield (g/t)	8.2	8.9	9.1
Revenue (R/t milled)	51.21	43.17	44.46
Cost (R/t milled)	30.43	30.44	30.46
Profit (R/t milled)	20.78	12.73	14.00
Revenue (R000's)	18,436	15,540	63,584
Cost (R000's)	10,956	10,958	43,556
Profit (R000's)	7,480	4,582	20,028
FINANCIAL RESULTS (R000's):			
Working profit: Gold	7,480	4,582	20,028
Net sundry revenue	491	349	1,399
Profit before taxation and State's share of profit	7,971	4,931	21,427
Taxation and State's share of profit	4,155	2,343	10,383
Profit after taxation and State's share of profit	3,816	2,588	11,044
Capital expenditure	980	641	3,292
Loan levy	389	226	977
Loan levy refund (1971)	—	96	96
Dividend	2,948	—	4,914

GOLD REVENUE: From 11 April 1978, payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

DIVIDEND: A dividend (No. 42) of 30 cents (16.33645p) per share was declared on 13 June 1978, payable to members on or about 5 August 1978.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1978 was R5.7 million.

DEVELOPMENT:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Carbon Leader			
Advanced (m)	3,504	3,298	14,464
Sampling results:			
Sampled (m)	592	661	2,978
Stope width (cm)	105	105	105
Av. value: gold (g/t)	18.2	13.8	14.1
cm.g/t	1,911	1,449	1,481
Main Reef			
Advanced (m)	818	901	3,168
Sampling results:			
Sampled (m)	410	430	1,430
Stope width (cm)	114	115	117
Av. value: gold (g/t)	9.6	13.0	13.1
cm.g/t	1,094	1,485	1,533

ORE RESERVES AT 30 JUNE 1978: The ore reserves based on a pay limit determined at a gold price of R4,200 per kilogram are as follows.

Classification	Tons	STOPE Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Carbon Leader	1,868,000	105	13.2	1,386
Main Reef	107,000	115	11.3	1,300
Total and averages	1,975,000	106	13.1	1,389

On behalf of the board

P. W. J. van Rensburg, R. A. Plumbridge — Directors

11 July 1978.

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14,052,160 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Gold.			
Ore milled (t)	615,000	615,000	2,445,000
Gold produced (kg.)	13,721.0	14,155.0	56,018.5
Yield (g/t)	22.3	23.0	22.9
Revenue (R/t milled)	136.62	111.00	112.28
Cost (R/t milled)	31.83	30.60	30.03
Profit (R/t milled)	104.79	80.40	82.25
Revenue (R000's)	84,022	68,262	274,537
Cost (R000's)	19,577	18,818	73,441
Profit (R000's)	64,445	49,444	201,096
Uranium Oxide:			
Pulp treated (t)	281,200	267,700	1,154,500
Oxide produced (kg.)	67,736	67,756	285,678
Yield (kg/t)	0.241	0.253	0.247
FINANCIAL RESULTS (R000's):			
Working profit: Gold	64,445	49,444	201,096
Profit on sale of Uranium Oxide and Sulphuric Acid	3,384	3,029	12,854
Net sundry revenue	2,955	2,317	9,830
Profit before taxation and State's share of profit	70,784	54,790	223,780
Taxation and State's share of profit	44,069	32,602	133,149
Profit after taxation and State's share of profit	26,715	22,188	90,631
Capital expenditure	2,667	2,376	15,715
Loan levy	4,477	3,438	13,577
Loan levy refund (1971)	—	1,272	1,272
Dividend	35,205	—	54,216

GOLD REVENUE: From 11 April 1978, payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

DIVIDEND: A dividend (No. 51) of 250 cents (154.62900p) per share was declared on 13 June 1978, payable to members on or about 8 August 1978.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1978 was R9.6 million.

DEVELOPMENT:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Carbon Leader			
Advanced (m)	4,265	3,617	14,978
Sampling results.			
Sampled (m)	62	108	304
Stope width (cm)	105	105	105
Av. value: gold (g/t)	10.7	28.7	21.5
cm.g/t	1,124	3,014	2,258
Ventersdorp Contact Reef			
Advanced (m)	1,549	1,712	6,806
Sampling results:			
Sampled (m)	506	610	1,958
Stope width (cm)	155	165	167
Av. value: gold (g/t)	47.7	22.4	25.6
cm.g/t	7,394	3,696	4,275
Main Reef			
Advanced (m)	547	509	3,093
Sampling results:			
Sampled (m)	576	106	1,160
Stope width (cm)	140	164	186
Av. value: gold (g/t)	9.8	14.2	8.7
cm.g/t	1,372	2,329	1,618

ORE RESERVES AT 30 JUNE 1978: The ore reserves based on a pay limit determined at a gold price of R4,200 per kilogram are as follows:

Classification	Tons	STOPE Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Carbon Leader	2,945,000	105	30.6	3,213
Ventersdorp Contact Reef	2,217,000	165	24.8	4,092
Main Reef	87,000	141	11.5	1,622
Total and averages	5,249,000	125	27.8	3,475

On behalf of the board

R. A. Plumbridge, P. W. J. van Rensburg — Directors

11 July 1978.

LIBANON GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 7,937,300 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Gold			
Ore milled (t)	405,000	405,000	1,620,000
Gold produced (kg.)	3,445.0	3,522.5	14,328.8
Yield (g/t)	8.5	8.7	8.8
Revenue (R/t milled)	50.12	42.77	43.10
Cost (R/t milled)	25.56	24.67	24.36
Profit (R/t milled)	24.56	18.10	18.74
Revenue (R000's)	20,301	17,321	69,824
Cost (R000's)	10,353	9,990	39,464
Profit (R000's)	9,948	7,331	30,360
FINANCIAL RESULTS (R000's):			
Working profit: Gold	9,948	7,331	30,360
Net sundry revenue	533	417	1,623
Profit before taxation and State's share of profit	10,481	7,748	31,983
Taxation and State's share of profit	5,560	3,863	16,202
Profit after taxation and State's share of profit	4,921	3,885	15,781
Capital expenditure	1,091	716	3,818
Loan levy	658	472	1,912
Loan levy refund (1971)	—	221	221
Dividend	4,762	—	7,937

GOLD REVENUE: From 11 April 1978, payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

DIVIDEND: A dividend (No. 35) of 60 cents (37.11090p) per share was declared on 13 June 1978, payable to members on or about 6 August 1978.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1978 was R14.1 million.

DEVELOPMENT:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Main Reef			
Advanced (m)	2,177	2,016	7,864
Sampling results:			
Sampled (m)	540	380	1,888
Stope width (cm)	129	116	134
Av. value: gold (g/t)	5.6	5.1	5.0
cm.g/t	722	594	670
Ventersdorp Contact Reef			
Advanced (m)	1,554	1,519	6,569
Sampling results:			
Sampled (m)	178	405	1,234
Stope width (cm)	142	157	147
Av. value: gold (g/t)	15.9	4.3	10.6
cm.g/t	2,258	675	1,558
Elsburg Reef			
Advanced (m)	180	56	356
Sampling results:			
Sampled (m)	116	50	258
Stope width (cm)	197	186	184
Av. value: gold (g/t)	7.4	4.9	5.5
cm.g/t	1,458	911	1,012
Kimberley Reef			
Advanced (m)	142	112	358
Sampling results:			
Sampled (m)	54	98	242
Stope width (cm)	157	146	162
Av. value: gold (g/t)	3.2	11.5	8.1
cm.g/t	502	1,679	1,312

In addition, 15 metres were advanced in areas held under prospecting permits.

SHAFT SINKING:

No. 2 Sub-Vertical Shaft: Full-scale sinking, lining and equipping are in progress. The shaft was sunk 125 metres to 717 metres below the collar.

PROSPECTING:

The fourth and final deflection of borehole LB1 was completed. Results were as follows:

Borehole LB1	Reef	Depth (metres)	Corrected Width (cm)	Value (g/t)	Value (cm.g/t)
Deflection 4	V.C.R.	2,876	126.9	17.0	2,157
	Elsburg	2,810	171.4	7.4	1,268

ORE RESERVES AT 30 JUNE 1978: The ore reserves based on a pay limit determined at a gold price of R4,200 per kilogram are as follows:

Classification	Tons	STOPE Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Main Reef	414,000	140	8.5	1,190
Ventersdorp Contact Reef	1,363,000	150	24.6	3,690
Kimberley Reef	16,000	174	8.9	1,549
Total and averages	1,793,000	148	20.7	3,064

Note: The opening up of the lower grade areas of the mine is reaching the stage when ore from these areas will soon become available for mining. This will have the effect of reducing the value of the ore reserve.

On behalf of the board

R. A. Plumbridge, P. W. J. van Rensburg — Directors

11 July 1978.

NOTE:
Copies may be obtained from the London Secretary, 49 Moorgate, London, EC2R 6BQ

EAST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 34,510,000 ordinary shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	6 mths. ended 30/6/1978
Gold:			
Ore milled (t)	590,000	544,000	1,134,000
Gold produced (kg.)	12,697.8	12,459.4	25,157.2
Yield (g/t)	21.5	22.9	22.2
Revenue (R/t milled)	114.26	111.17	112.76
Cost (R/t milled)	26.33	27.41	26.85
Profit (R/t milled)	87.93	83.76	85.91
Revenue (R000's)	67,412	60,457	127,869
Cost (R000's)	15,533	14,911	30,444
Profit (R000's)	51,879	45,546	97,425
FINANCIAL RESULTS (R000's):			
Working profit: Gold	51,879	45,546	97,425
Net sundry revenue	2,107	2,021	4,128
Profit before taxation and State's share of profit	53,986	47,567	101,553
Taxation and State's share of profit	30,946	27,121	58,067
Profit after taxation and State's share of profit	23,040	20,446	43,486
Capital expenditure	4,088	3,454	7,542
Loan levy	3,406	2,991	6,397
Loan levy refund (1971)	—	62	62
Dividend	21,804	—	21,804

GOLD REVENUE: From 11 April 1978, payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

DIVIDEND: A dividend (No. 18) of 40 cents (24.74464p) per share was declared on 13 June 1978, payable to members on or about 8 August 1978.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R[illegible] million. The unexpended balance of authorised capital expenditure at 30 June 1978 was R46.5 million.

DEVELOPMENT:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	6 mths. ended 30/6/1978
Main Reef			
Advanced (m)	484	334	818
Sampling results.			
Sampled (m)	318	24	342
Stope width (cm)	179	119	175
Av. value: gold (g/t)	9.6	2.3	9.2
cm.g/t	1,718	274	1,610
Ventersdorp Contact Reef			
Advanced (m)	2,395	3,004	5,399
Sampling results:			
Sampled (m)	1,048	1,135	2,183
Stope width (cm)	178	187	183
Av. value: gold (g/t)	16.9	20.1	18.6
cm.g/t	3,008	3,760	3,397
Carbon Leader			
Advanced (m)	3,289	2,882	6,171
Sampling results:			
Sampled (m)	204	162	366
Stope width (cm)	109	109	109
Av. value: gold (g/t)	5.9	6.7	6.3
cm.g/t	643	730	687

On behalf of the board

R. A. Plumbridge, P. W. J. van Rensburg — Directors

11 July 1978.

VLAKFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 6,000,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	6 mths. ended 30/6/1978
Gold:			
Ore milled: From surface dumps (t)	180,000	179,000	359,000
Gold produced (kg.)	199.0	243.5	442.5
Yield (g/t)	1.1	1.4	1.2
Revenue (R/t milled)	10.31	6.71	8.51
Cost (R/t milled)	4.64	5.19	4.91
Profit (R/t milled)	5.67	1.52	3.60
Revenue (R000's)	1,855	1,202	3,057
Cost (R000's)	834	930	1,764
Profit (R000's)	1,021	272	1,293
FINANCIAL RESULTS (R000's):			
Working profit: Gold	1,021	272	1,293
Net sundry revenue	131	109	240
Profit before taxation	1,152	381	1,533
Taxation			
Formula tax	621	150	771
Non-mining tax	39	37	76
Excess recoupments tax	56	38	94
Profit after taxation	436	156	592
Capital expenditure recoupments (net)	139	87	226
Loan levy	92	26	118
Loan levy refund (1971)	—	110	110

GOLD REVENUE: From 11 April 1978, payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

CAPITAL EXPENDITURE: There were no capital expenditure commitments at 30 June 1978.

PROPOSED REPAYMENT OF CAPITAL: No dividend was declared or paid during the quarter. At the adjourned annual general meeting of members held on 26 April 1978, a special resolution was passed in terms of which it was resolved that, subject to confirmation by the Supreme Court of South Africa, the authorised and issued capital of the company be reduced from R1 per share to 90 cents per share, and the Directors be authorised to make a repayment of capital of 10 cents per share to members registered in the books of the company on 30 June 1978. Application has been made to the Court for confirmation of the reduction of capital, which will become effective when the necessary Order of Court is granted and registered. Members will be informed in due course when these formalities are completed and of the expected date and the conditions of the repayment of capital.

On behalf of the board

P. W. J. van Rensburg, R. A. Plumbridge — Directors

11 July 1978.

KLOOF GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 30,248,000 ordinary shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Gold:			
Ore milled (t)	480,000	431,000	1,722,000
Gold produced (kg.)	6,484.5	5,727.2	22,296.4
Yield (g/t)	13.5	13.3	12.9
Revenue (R/t milled)	74.17	62.01	62.18
Cost (R/t milled)	31.40	33.19	32.84
Profit (R/t milled)	42.77	28.82	29.34
Revenue (R000's)	35,603	26,525	107,072
Cost (R000's)	15,071	14,006	56,542
Profit (R000's)	20,532	12,519	50,530
FINANCIAL RESULTS (R000's):			
Working profit: Gold	20,532	12,519	50,530
Recovery under loss of profits insurance	69	—	1,969
Net sundry revenue	727	482	2,101
Profit before taxation and State's share of profit	21,328	13,001	54,600
Taxation and State's share of profit	10,194	5,519	23,597
Profit after taxation and State's share of profit	11,134	7,482	31,003
Capital expenditure	4,404	3,274	13,539
Loan levy	1,123	660	2,635
Dividend	7,560	—	12,096

GOLD REVENUE: From 11 April 1978 payment for gold production at the official price plus premium on market sales distributed monthly was replaced by payment at the market price. The non-recurring balancing payments resulting from the changeover distorted revenue for the current quarter which is therefore not comparable with past or future quarters.

DIVIDEND: A dividend (No. 17) of 25 cents (15.46790p) per share was declared on 13 June 1978, payable to members on or about 5 August 1978.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1978 was R45.6 million.

PRODUCTION: Mining operations in the 40 longwall which was affected by the fire, have been restored to normal.

DEVELOPMENT:	Qtr. ended 30/6/1978	Qtr. ended 31/3/1978	Year ended 30/6/1978
Ventersdorp Contact Reef			
Advanced (m)	6,677	5,329	22,558
Sampling results:			
Sampled (m)	228	140	1,334
Stope width (cm)	172	142	148
Av. value: gold (g/t)	32.9	8.4	22.1
cm.g/t	5,659	1,193	3,271

SHAFT SINKING:

No. 3 Shaft: The excavation of the hoist chambers for No. 3 Sub-Vertical Shaft is almost complete.

No. 3A Service Shaft: Excavation of the headgear portion of this auxiliary shaft is in progress and the temporary sinking hoists are being installed.

ORE RESERVE AT 30 JUNE 1978: The ore reserve based on a pay limit determined at a gold price of R4,200 per kilogram is as follows:

Classification	Tons	STOPE Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Ventersdorp Contact Reef	3,504,000	155	17.4	2,697

On behalf of the board

R. A. Plumbridge, P. W. J. van Rensburg — Directors

11 July 1978.

WORLD STOCK MARKETS

Dow improves 4.5 more in active trading

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—109⅞% (110¼%)
Effective $1.8845—52% (52¾%)

HELPED BY some encouraging pointers regarding the fight against inflation and rising interest rates and also an improvement in the dollar, Wall Street maintained a firming tendency yesterday in active trading.

The Dow Jones Industrial Average gained 4.50 more at $21.29 and the NYSE All Common Index added 35 cents at $53.90, while rises outnumbered declines by 941 to 526. Turnover expanded by 5.01m shares to 27.48m from Monday's level.

In Washington, Barry Bosworth, director of the U.S. Council on Wage and Price Stability, said he looked for an inflation rate this year of about 7 per cent. He told the House Budget Committee that so far this year inflation has been running at an annual rate of about 10 per cent.

The director of the Congressional Budget Office said that although the U.S. economy faces continuing problems despite a drop in unemployment, it probably will not slide into a recession.

Late in the market session, the Commerce Department reported that retail sales in June rose 0.1 per cent following a decline of 0.2 per cent in May.

On the interest rate front, one analyst said he believes that rates in the fixed income sector have stabilised somewhat, and that this has encouraged equity investors.

In Europe, the dollar picked up against major foreign currencies in what dealers attributed primarily to short-covering in the U.S. currency prior to the Bonn economic summit, beginning on July 16.

Texaco, which is drilling about 100 miles east of Atlantic City, not far from where Shell Oil on Monday reported a dry hole, rose 1⅛ to $24⅞ in very heavy trading on rumours of an oil find.

Texaco said, however, that it could not comment on whether it has found oil or gas, adding that unless "we discovered significant hydrocarbons, we would not comment."

Freeport Minerals, which has a 10 per cent interest in Texaco's block, added 1⅜ at $25⅞.

Exxon, which is drilling near Texaco's block, advanced 1⅛ to $25¼. Shell rose $1 to $32⅛ despite the dry hole. Mobil, believed to be drilling on one of the most promising parts of the formation, picked up ⅝ to 61⅞.

Analysts recently boosted earnings estimates for some drug issues. **Squibb**, on the actives list, put on ⅝ to $37⅛ in heavy trading, while **Abbott Laboratories** rose 1⅛ to $34⅛. **Smithkline** 1½ to $85½ and **Merck** also 1⅜ to $57⅞. **Baxter Laboratories**, which intends to liquidate two units in Puerto Rico, moved ahead 1⅞ to $45⅛.

Gaming stocks lost favour, however, **Caesars World** retreating 1⅛ to $24½. **Playboy** 1⅞ to $21⅞ and **Bally Manufacturing** 1¼ to $38⅝.

British Petroleum, the volume leader, rose ⅛ to $16⅛—on Monday, it declined to comment on British Press reports that it has found oil off the Shetland Islands.

Xerox put on ⅝ to $54 and SCM gained ¾ to $18¾—the jury in SCM's $1.5bn suit against Xerox found that Xerox's patents lessen competition in the plain paper copier market. Separately, Xerox said a suit brought by Van Dyk Research Corporation alleging Xerox attempted to monopolise the plain paper copier market, will begin today.

THE AMERICAN SE Market Value Index advanced a further 0.78 to 147.78. Volume 3.34m shares (3.06m).

Resorts International "A," the leading active, came back ¾ to $87¼, while American Motor Inns, which is considering buying Atlantic City property, receded 1⅜ to $14.

Houston Oil and Minerals, holders of a lease block in the Baltimore Canyon, climbed 1⅛ to $22⅛.

Canada

The uptrend continued yesterday. In Montreal Utilities rose 1.50 to 173.67 on index, while Papers added 0.12 at 114.97. Toronto stock market indices were not available due to computer problems at the exchange.

Bell Canada, C$57¼, and **Domtar**, C$18, rose ¼ apiece, while **Stelco "A"** C$25¾, and **Noranda "A,"** C$26⅞, each added ⅛.

Tokyo

Market turned moderately easier, with investors becoming cautious following the recent rapid gains and the yen appreciation. The Nikkei-Dow Jones Average shed 3.08 to 5,628.32, while volume amounted to 320m shares (340m).

Export-orientated Electricals, Vehicles and Cameras declined on the yen's strength. TDK Electronics losing Y30 to Y2,290, Canon Y10 to Y469 and Toyota Motor also Y10 to Y910

Recently-selected Pharmaceuticals and Real Estates lost ground on profit-taking, while some Foods and Papers were also lower.

Cements, however, rose sharply on the industry's negotiations to sell 3m tonnes of cement to Iran, while Rubbers, helped by Chinese orders for Japanese conveyor belts worth Y2bn, were firmer inclined. Resources; Public Works and Chemical issues also hardened against the general downtrend.

Paris

Bourse prices continued to move ahead in busy trading, with dealers reporting good buying orders from Germany.

The stock market gained further encouragement from recent statistical institute surveys revealing growth in output and higher industrial investment.

The Construction sector, for which a series of Government support measures have been announced, was outstandingly firm.

Bouygues, BHV, Aquitaine, CFP, Roussel, Cie Bancaire, Legrand, Perrier, Pechiney, Peugeot Citroen, Radio Technique, Suez and Thomson Brandt were all notable bright spots.

Germany

Share prices generally softened on lack of interest.

In leading Banks, Dresdner Bank shed DM 2.50 and Deutsche Bank DM 1.10. Motors had Volkswagen down DM 2.20 and BMW DM 2 easier, while among Stores, Neckermann lost DM 2.60 and Kaufhof DM 1.50.

Electricals were mixed, with BBC gaining DM 2.30 but Siemens declining DM 2.50. Elsewhere, Linde receded DM 4 and Harpener DM 2.50.

Public Authority Bonds further weakened to display losses ranging to 35 pfennigs. The Regulating Authorities purchased a nominal DM 38.8m of stock (DM 88.1m). Mark Foreign Loans also declined.

Australia

Stocks tended to gain ground, with BHP, on further speculation regarding its Bass Strait exploration activities, providing the main feature and advancing another 14 cents to A$7.54 in a brisk turnover.

CRA rose 8 cents to A$2.58 on speculation about its Ashton diamond prospect, on which testing begins this week, but Northern Mining, which has an interest in the prospect, came back 4 cents to A$1.36.

Among Coals, White Industries, A$1.95, gave up the previous day's gain of 3 cents which followed news of its sales contract with Japan. Coal and Allied receded 15 cents to A$4.30. Utah put on 2 cents to A$4 and Oakbridge 3 cents to A$1.78.

Uraniums were mainly a shade firmer, but Pancontinental shed 10 cents to A$14.00.

Elsewhere in Minings, Hamersley improved 7 cents more to A$2.22 and BH South hardened 3 cents to A$1.21.

Among Banks, BNS Wales added 4 cents at A$6.14 but National Bank receded 5 cents to A$2.43. News were 5 cents up at A$2.35 in Industrials; while Woolworths gained 3 cents at A$1.55 in Stores.

Hong Kong

Markets reverted to an upward course in active trading, after Monday's reaction on profit-taking, and the Hang Seng index rose 7.29 to 580.42. Overall turnover picked up to HK$140.32m (HK$127.30m).

Swire Pacific rose 25 cents to HK$9.35 and Wheelock 5 cents to HK$3.45, while advances of 20 cents apiece occurred in Hongkong Bank, HK$19.30, Hong Kong Land, HK$10.60, Hutchison Whampoa, HK$6.65, and Jardine Matheson, HK16.30.

Property issue New World put on 15 cents to HK$2.35 on strong local interest, while Hong Kong Wharf gained 30 cents to HK$24.30.

Johannesburg

Mostly small irregular movements were recorded in the Gold shares sector.

Mining Financials were unchanged to firmer. Elsewhere, De Beers retreated 13 cents to R6.70 on disappointing first-half diamond sales.

Platinums were marginally lower in places, but Coppers were a few cents harder.

Industrials were inclined to edge forward, with gains outnumbering losses by about a two-to-one ratio.

Milan

Lower in slack trading, mainly on end-of-account considerations.

The sudden arrest of Raffaele Ursini, former vice-president and managing director of Liquigas, caused weakness in stocks linked with the above financier, such as SAI, Bastogi, Montedison and Italcementi.

Amsterdam

A firmer trend was apparent yesterday.

Among Dutch Internationals, Royal Dutch improved 2.0 to Fl 133.1 and Unilever 1.0 to Fl 123.2.

Elsewhere, KNP Paper Mills rose 1.4 to Fl 50.2, KBB Department Stores 1.1 to Fl 93.3, and OCE Grinten Photocopying Equipment and Materials 2 to Fl 134, but Gist Brocades Pharmaceuticals receded 1.5 to Fl 35.7 and VMF Stork Engineering 2.3 to Fl 46.5.

Indices

NEW YORK—DOW JONES

	July 11	July 10	July 7	July 6	July 5	July 3	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	821.29	816.79	812.46	807.17	805.79	812.89	866.61 (6/6)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	86.73	86.91	87.19	87.20	87.20	87.22	90.88 (4/1)	85.75 (11/7)	—	—
Transport	222.54	220.30	218.25	216.50	216.50	219.32	251.35 (6/6)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.24	106.01	105.55	105.07	106.29	105.38	110.98 (3/1)	102.84 (22/2)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's†	27,490	22,470	25,460	24,970	25,780	11,560	—	—	—	—

* Basis of index changed from August 24

	July 7	June 30	June 23	(Year ago approx.)
Ind. div. yield %	5.75	5.71	5.68	4.85

STANDARD AND POORS

	July 11	July 10	July 7	July 6	July 5	July 3	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡ Industrials	106.96	106.23	104.79	104.09	104.02	104.97	110.99 (8/6)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§ Composite	95.93	95.27	94.89	94.52	94.22	95.09	100.32 (6/6)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	July 5	June 28	June 21	Year ago (approx.)
Ind. div. yield %	5.18	5.11	5.07	4.42
Ind. P/E Ratio	8.93	9.04	9.11	10.14
Long Gov. Bond yield	8.62	8.57	8.52	7.60

N.Y.S.E. ALL COMMON

July 11	July 10	July 7	July 6	1978 High	1978 Low
53.90	53.55	53.34	53.00	56.20 (8/6)	48.37 (6/3)

Rises and Falls

	July 11	July 10	July 7
Issues traded	1,880	1,893	1,869
Rises	941	778	964
Falls	526	666	451
Unchanged	413	449	454
New Highs	37	22	18
New Lows	20	26	28

		July 11	July 10	July 7	July 6	1978 High	1978 Low
MONTREAL	Industrial	182.00	181.67	180.99	180.12	185.08 (15/6)	162.80 (16/2)
	Combined	191.08	190.51	189.79	189.18	194.00 (8/6)	170.82 (30/1)
TORONTO	Composite	—	1150.4	1125.6	1121.5	1149.0 (15/6)	998.2 (30/1)
JOHANNESBURG	Gold	227.8	227.2	224.0	222.5	227.8 (11/7)	185.0 (30/4)
	Industrial	246.8	245.5	245.6	241.5	246.8 (11/7)	194.9 (13/3)

	July 11	Previous	1978 High	1978 Low
Australia(¶)	497.25	485.19	501.34 (15/6)	441.19 (1/3)
Belgium (‖)	95.61	95.60	101.16 (2/6)	90.45 (25/2)
Denmark(**)	95.47	95.61	98.13 (9/1)	94.00 (6/2)
France (††)	70.4	70.1	71.3 (30/5)	47.6 (3/2)
Germany(‡‡)	794.4	798.3	812.7 (10/3)	759.4 (17/6)
Holland (§§)	83.2	83.2	87.0 (9/6)	76.0 (4/4)
Hong Kong (¶¶)	580.42	573.13	582.67 (6/7)	383.44 (13/1)
Italy (‖‖)	62.09	62.89	64.34 (22/6)	55.45 (10/1)
Japan (a)	424.15	424.71	424.71 (10/7)	364.04 (4/10)
Singapore (b)	354.54	355.31	355.31 (10/7)	282.0 (1/6)
Spain (d)	105.50	—	110.78 (9/5)	87.88 (17/5)
Sweden (e)	378.84	379.44	397.96 (3/5)	325.74 (3/1)
Switzerl'd (f)	291.7	289.8	356.99 (28/6)	279.0 (25/4)

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord.

(‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam, Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Brit. Petroleum	332,600	16⅛	+⅛
Texaco	479,300	24⅞	+1
Kaufman & Broad	333,200	8⅞	−⅛
American Airlines	330,600	13¼	+⅛
Squibb	323,500	37⅛	+⅝
Ethyl	255,300	21¼	−⅛
Gulf Oil	243,700	23¼	+⅛
Firestone Tire	244,000	13¼	−⅛
Exxon	243,400	45¼	+1
UAL	222,000	31¼	+⅛

NEW YORK

Stock	July 11	July 10
Abbott Labs.	34⅛	35
Addressograph	21½	21¾
Aetna Life & Cas.	39⅝	39½
Air Products	27½	27½
Alcan Aluminium	27	26⅞
Alcoa	40⅝	41⅛
Alleg. Ludlum	17⅛	17⅛
Allegheny Power	18¼	18⅛
Allied Chemical	35½	34⅝
Allied Stores	23¼	23¼
Allis Chalmers	33½	33¼
AMAX	33½	33½
Amerada Hess	27¼	27⅜
Amer. Airlines	13¼	13
Amer. Brands	50	50¼
Amer. Broadcast.	49	49½
Amer. Can	42	42
Amer. Cyanamid	29	28⅝
Amer. Dist. Tel.	33⅞	33
Amer. Elec. Pow	23⅞	23⅜
Amer. Express	36	35¾
Amer. Home Prod	29⅜	29½
Amer. Medical	26¾	27⅛
Amer. Motors	5¼	5⅜
Amer. Nat. Res.	41½	40⅞
Amer. Standard	42½	42
Amer. Stores	33½	33¼
Amer. Tel. & Tel.	59¾	59⅛
Ametek	32¾	32¼
AMF	18	17⅞
AMP	34	32⅞
Ampex	14½	14⅜
Anchor Hocking	30	29⅞
Anheuser Busch	25⅞	23½
Armco Steel	29¾	29½
A.S.A.	21⅛	21¼
Asamera Oil	16⅞	16½
Asarco	14½	14¼
Ashland Oil	33½	33⅜
Atl. Richfield	49⅞	48⅞
Auto Data Pro.	29¾	29
AVC	9¼	9
Avco	25⅞	24¾
Avon Products	54¾	55⅛
Balt Gas Elect	25⅞	26
Bank America	22⅜	22⅝
Bankers Tr. N.Y.	35⅝	35
Barber Oil	26⅞	26⅞
Baxter Travenol	45⅛	43¾
Beatrice Food	24¾	24¼
Becton Dickinson	36¼	36
Bell & Howell	19¼	18⅞
Bendix	38⅛	38¼
Benguet Cons 'B'	3⅞	3⅛
Bethlehem Steel	22⅛	22⅝
Black & Decker	18½	18⅝
Boeing	55	54⅛
Boise Cascade	26½	25¾
Borden	28¼	28
Borg Warner	28½	28½
Braniff Int	13½	13⅜
Brascan 'A'	14⅛	14⅜
Bristol Myers	37½	37
Brit. Pet. ADR	16½	16
Brockway Glass	33⅛	33⅝
Brunswick	14¼	14⅛
Bucyrus Erie	17⅛	17¾
Bulova Watch	6½	6⅝
Burlington Nthn.	39⅞	38¼
Burroughs	73½	73¼
Campbell Soup	34⅛	33½
Canadian Pacific	17	16⅞
Canal Randolph	11	11⅛
Carnation	28	27⅝
Carrier & General	12⅞	11⅞
Carter Hawley	17½	17⅜
Caterpillar Tract	58½	57¼
CBS	54½	54
Celanese Corpn	40¾	41
Central & S.W.	16¾	16½
Certainteed	20⅛	20⅜
Cessna Aircraft	38¼	37⅞
Chase Manhattan	30⅞	30¼
Chemical Bk. NY	38⅞	38⅝
Chesebrgh Pond	24¾	24⅛
Chessie System	30⅞	29¾
Chicago Bridge	53¼	53½
Chrysler	10⅛	10¼
Cinerama	4½	4⅜
Cin. Milacron	30⅝	30
Citicorp	23	23
Cities Service	48⅞	49¼
City Investing	15⅝	15½
Cleve Cliffs	42	42
Colgate Palm.	20¼	20⅛
Collins Aikman	11¼	11½
Columbia Gas	27¾	28⅜
Columbia Pict.	20⅛	20¼
Com. Insco of Am	18¼	18⅝
Combustion Eng.	40	39¼
Combustion Eq.	16½	15½
Cm'wth Edison	27	26⅞
Comm. Oil Ref	2½	2½
Comm. Satellite	41½	40⅞
Computer Science	11	11⅛
Conn Life Ins	36¼	36⅛
Conrac	19⅞	19⅝
Con. Edison N.Y.	23⅝	23½
Consol Foods	24⅝	24⅞
Consol Nat. Gas	38	38½
Consumer Power	23⅞	23⅝
Continental Grp	28¾	28⅞
Continental Oil	26½	26
Continental Tele	15⅛	15¼
Control Data	33⅜	32⅞
Cooper Indus.	54⅝	54¾
Corning Glass	55	54⅞
CPC Int'n'tional	48⅜	47¾
Crane	27½	27¼
Crocker Nat	25⅜	25⅜
Crown Zellerbach	31⅝	30⅞
Cummins Engine	37	37¾
Curtiss Wright	16⅜	16⅛
Dana	27⅞	27⅜
Dart Industries	44½	43¼
Deere	32¾	32
Del Monte	26½	26⅜
Deltona	10¼	10
Dentsply Inter.	24	24⅜
Detroit Edison	15⅞	15½
Diamond Shamrk	26⅜	25⅜
Dictaphone	15¾	15⅝
Digital Equip.	46½	46⅝
Disney (Walt)	40⅝	41¼
Dover Corpn.	42¼	41¼
Dow Chemical	24½	24¼
Dravo	26¼	26½
Dresser	43	43¼
Dupont	113	114
Dymo Industries	30¼	30¼
Eagle Picher	23¼	23⅜
East Airlines	12⅞	12¾
Eastman Kodak	54¼	53⅞
Eaton	37¼	36⅝
E.G. & G.	25	24¾
El Paso Nat. Gas	16⅛	16
Eltra	30¼	30¼
Emerson Electric	35⅜	35½
Emery Air Fr'ght	23⅝	23¼
Emhart	37¾	37½
E.M.I.	2¾	2¾
Engelhard	22¾	22½
Esmark	30⅞	30⅝
Ethyl	21¼	21½
Exxon	45¼	44⅛
Fairchild Camera	32½	31½
Fed. Dept. Stores	35¾	36
Firestone Tire	13¼	13½
Fst. Nat. Boston	29½	29⅛
Flexi Van	20½	20
Flintkote	26¾	26⅜
Florida Power	30	30
Fluor	35⅞	36
F.M.C.	23⅝	23½
Ford Motor	46¼	46½
Foremost Mck.	20¾	20¾
Foxboro	36⅞	36⅞
Franklin Mint	9⅛	9⅛
Freeport Mineral	25⅞	24½
Fruehauf	29	28⅞
Fuqua Inds	10½	10⅜
G.A.F.	12⅞	13¼
Gannett	43½	43
Gen. Amer. Int.	9½	10
G.A.T.X.	27⅛	27½
Gen. Cable	17⅝	17¼
Gen. Dynamics	73½	73
Gen. Electric	52	51½
Gen. Foods	32	32½
General Mills	30¾	30¼
General Motors	60⅛	59½
Gen. Pub. Util.	18½	18⅞
Gen. Signal	29⅜	29
Gen. Tel. Elect.	28⅞	28⅜
Gen. Tire	25¾	25¾
Genesco	6	5⅞
Georgia Pacific	26	26⅛
Getty Oil	36⅝	35⅞
Gillette	28¾	28⅞
Goodrich B.F.	22⅝	22½
Goodyear Tire	16¾	16¾
Gould	29⅜	29½
Grace W.R.	26⅞	26½
Gt. Atlan Pac Tea	6½	6½
Grt. North Iron	25⅝	25¾
Greyhound	13⅛	13½
Gulf & Western	14	14
Gulf Oil	23¼	22¾
Halliburton	60½	61½
Hanna Mining	32⅞	32⅝
Harnischfeger	16¼	16¼
Harris Corpn	56⅝	56⅞
Heinz H.J.	41¼	40⅞
Heublein	25⅞	25⅜
Hewlett Packard	82¼	81⅞
Holiday Inns	17⅞	17½
Homestake	34½	34½
Honeywell	57	57¼
Hoover	11¾	11¾
Hosp. Corp. Amer.	31⅞	31¾
Houston Nat. Gas	24½	24⅜
Hunt (Ph. A.) Chm	10⅞	10¾
Hutton (E.F.)	15½	14⅞
I.C. Industries	26⅛	25¾
INA	41½	41⅜
Ingersoll Rand	56⅛	54¾
Inland Steel	34⅛	35⅛
Insilco	15⅛	14¾
IBM	259.12	260
Intl. Flavours	23¾	23½
Intl. Harvester	35½	35¼
Intl. Min & Chem	36¼	36⅛
Intl. Multifoods	21¾	21¾
Inco	15⅝	15¾
Intl. Paper	40	39⅞
IPG	33¾	33⅞
Intl. Rectifier	11⅜	11⅛
Intl. Tel. & Tel.	30⅞	30⅞
Invent	1	1
Iowa Beef	35¾	35⅝
IU International	11⅞	11⅝
Jim Walter	28¾	28¾
Johns Manville	30⅛	30
Johnson Johnson	82⅝	83⅞
Johnson Control	27¼	25¾
Joy Manufactur'g	33	33
K. Mart Corp.	24⅝	24¼
Kaiser Alumini'm	31	31⅛
Kaiser Industries	2	2
Kaiser Steel	23⅞	23⅞
Kay	12¾	12¾
Kennecott	21¼	21¼
Kerr McGee	42⅞	42⅞
Kidde Walter	33⅝	33½
Kimberly Clark	44⅞	44½
Koppers	22¼	21½
Kraft	46⅞	46¼
Kroger Co.	35⅛	33
Leaseway Trans.	32¾	32¾
Levi Strauss	32⅞	35⅛
Libby Ow. Ford	26¼	26½
Liggett Group	32⅝	31½
Lilly (Eli)	48¼	47½
Litton Indust.	21⅞	21¼
Lockheed Aircr'ft	22⅝	22⅜
Lone Star Indus.	19⅞	19⅝
Long Island Ltd.	18¾	18¾
Louisiana Land	21⅜	21¼
Lubrizol	39½	39¼
Lucky Stores	15¾	15½
Lke Y'ngst'wn.	7½	7½
MacMillan	10¾	10⅞
Macy R.H.	40⅝	40¾
Mfrs. Hanover	35⅛	35
Mapco	32	32½
Marathon Oil	†42¼	42
Marine Midland	14⅝	14⅛
Marshall Field	22	22⅝
May Dept. Stores	23½	23½
MCA	50⅝	50⅝
McDermott	23⅝	23½
McDonnell Doug	34	33⅞
McGraw Hill	22¾	22⅝
Memorex	40	39¼
Merck	57⅞	56⅛
Merrill Lynch	18⅝	18
Mesa Petroleum	32⅞	32⅞
MGM	39½	40
Minn Ming & Mfg	56¾	56⅜
Mobil Corp.	61⅞	61¼
Monsanto	50¼	50¼
Morgan J.P.	44½	44½
Motorola	46⅝	46
Murphy Oil	41⅞	40⅝
Nabisco	25	25½
Nalco Chemical	30¼	30
National Can	18	17¾
Nat. Distillers	21⅝	21½
Nat. Service Ind.	16	15½
National Steel	29⅞	30
Natomas	41½	41⅞
NCR	52¼	52¼
Neptune Imp	17¾	17⅞
New England El.	21¾	22
New England Tel	33⅝	33
Niagara Mohawk	14	13⅞
Niagara Share	10½	10¾
N.L. Industries	18⅜	18⅜
Norfolk & Western	24½	24¾
North Nat. Gas	40¼	40⅛
Nthn. States Pwr	25⅛	25
Nthwest Airlines	27⅝	27¾
Nthwest Bancorp	24	24¼
Norton Simon	18½	18⅛
Occidental Petrol	21⅝	21⅛
Ogilvy Mather	55¼	55
Ohio Edison	18¼	18⅛
Olin	14⅝	14
Overseas Ship	24	23¾
Owens Corning	30⅝	29½
Owens Illinois	21	20⅞
Pacific Gas	23⅞	23¾
Pacific Lighting	20	19⅞
Pan Pwr. & Ltd.	21⅛	21¾
Pan Am World Air	6⅞	6¾
Parker Hannifin	23⅝	23½
Peabody Intl.	24	23⅝
Pen. Pw. & L.	21⅛	20⅞
Penny J.C.	35⅞	36
Pennzoil	28	28
Peoples Drug	10¾	10¾
Peoples Gas	34¾	34⅞
Pepsico	28¾	28½
Perkin Elmer	23⅝	23
Pet	52	52
Pfizer	33⅜	33
Phelps Dodge	20½	19¾
Philadelphia Ele.	17½	17⅜
Philip Morris	68⅜	67⅞
Phillips Petrol'm	31¾	31¼
Pillsbury	41⅛	41
Pitney Bowes	24¾	24½
Pittston	21½	22
Plessey Ltd ADR	17¾	16¾
Polaroid	39⅝	39⅞
Potomac Elec.	15⅛	15¼
PPG Industries	26⅛	25¾
Procter Gamble	86⅞	86¼
Pub. Serve Elect.	22⅜	22⅜
Pullman	31⅝	31½
Purex	16¾	17
Quaker Oats	23⅞	23⅜
Rapid American	9¾	9¾
Raytheon	49	48¼
RCA	26½	26⅜
Republic Steel	22½	22¾
Resorts Intl. 'A'	87¼	88
Revlon	48⅛	48⅛
Reynolds Metals	28½	28¼
Reynolds R.J.	55¼	56¾
Rich'son Merrell	24⅞	24½
Rockwell Inter.	32⅛	32⅛
Rohm & Haas	33¼	32¾
Royal Dutch	59¼	60¼
RTE	14¾	14¾
Russ Togs	11⅞	11⅞
Ryder System	22	21¾
Safeway Stores	39½	39
St. Joe Minerals	23⅞	24⅛
St. Regis Paper	27⅜	26⅞
Santa Fe Inds.	34⅝	34⅝
Saul Invest.	5⅝	5⅝
Saxon Inds	5⅛	6
Schlitz Brewing	12⅞	12⅝
Schlumberger	83⅝	83¾
SCM	18¾	18
Scott Paper	16⅜	16¼
Scovil Mfg.	20⅞	19¼
Scudder Duo. Cap	7¾	7¾
Sea Container	26⅞	27½
Seagram	22⅞	22⅞
Searle (G.D.)	14⅜	14
Sears Roebuck	22⅝	22⅝
SEDCO	36⅛	35⅞
Shell Oil	32¼	31¼
Shell Transport	42⅝	42½
Signal	47⅛	46⅞
Signode Corp	37	37⅝
Simplicity Pat	12⅞	13
Singer	20⅜	20
Smith Kline	85½	84
Solitron	2¾	2¾
Southdown	29⅞	29⅜
Southern Cal. Ed	25¼	25¼
Southern Co.	16⅛	16
Sthn. Nat. Res	35⅜	35⅝
Southern Pacific	31⅝	31½
Southern Railway	50¼	49¾
Southland	27	27
S'w't Bankshares	25¾	25¾
Sperry Hutch	17½	17⅛
Sperry Rand	41⅝	41⅝
Squibb	37⅛	36⅝
Standard Brands	27¼	27⅜
Std. Oil California	39⅝	38⅞
Std. Oil Indiana	48	47⅛
Std. Oil Ohio	30½	30
Stauff Chemicals	40½	40⅝
Sterling Drug	15¾	15½
Studebaker	61¼	61¼
Sun Co.	42⅜	41
Sundstrand	44⅝	44⅝
Syntex	31⅛	31
Technicolor	12	12¼
Tektronix	42	40⅝
Teledyne	98¾	101½
Telex	5¼	4¾
Tenneco	31⅛	30⅝
Tesoro Petroleum	10½	10⅜
Texaco	24⅞	23¾
Texasgulf	18⅝	18¼
Texas Eastern	39⅞	39¾
Texas Inst'm	80¼	80⅜
Texas Oil & Gas	28⅝	28½
Texas Utilities	20⅝	20¼
Times Ins.	40¾	40⅜
Times Mirror	28¼	28¼
Timken	47½	46⅞
Trane	34⅝	34¾
Transamerica	15¼	15
Transco	20⅛	18¼
Trans Union	35¼	35
Tran-way Intr'n.	25¾	25⅜
Trans World Air.	20¼	20
Travelers	34¾	35
Tri Continental	19¼	19⅜
T.R.W.	36⅞	35¾
20th Century Fox	37¼	38⅛
U.A.L.	31¼	30¾
UARCO	24⅛	23⅝
UGI	19½	19¾
Unilever	39¼	39¼
Unilever NV	55¼	55⅞
Union Bancorp	24⅝	24⅜
Union Carbide	37	36½
Union Commerce	7¾	7¾
Union Oil Calif.	48	47¼
Union Pacific	45⅛	44½
Uniroyal	7½	7⅝
United Brands	8¾	9
US Bancorp	28⅞	28½
US Gypsum	25¾	25¼
US Shoe	23⅝	23
US Steel	26¼	26¼
UT Technologies	43	42⅜
UV Industries	19½	19⅝
Virginia Elect.	14⅝	14⅜
Walgreen	24½	24⅝
Warner Commun.	44	43
Warner-Lambert	28½	28½
Waste-Man'ment	23¾	23¾
Wells-Fargo	26⅞	26⅝
Western Bancorp	36¾	36⅛
Western N. Amer	27⅛	27¼
Western Union	16⅝	16½
Westingh'se Elec	22¼	22⅝
Westvaco	26½	26⅛
Weyerhaeuser	25¼	25
Whirlpool	22⅝	22⅝
White Con. Ind.	22	21¾
William Co.	17⅞	17⅞
Wisconsin Elect.	28⅝	28
Woolworth	18⅝	18⅝
Wyly	3⅞	3⅞
Xerox	54	53⅞
Zapata	16¼	15½
Zenith Radio	14¾	14½
U.S. Treas. 4% 1980	†94¼	†94½
US Treas. 4¼% 75/85	†79⅞	†79⅞
U.S. 90 day bills	7.17%	7.13%

CANADA

Stock	July 11	July 10
Abitibi Paper	13	13
Agnico Eagle	6⅛	6⅛
Alcan Aluminium	30⅛	30¼
Algoma Steel	20⅛	20
Asbestos	†40½	†41
Bank of Montreal	22⅜	22⅛
Bank Nova Scotia	20¼	20½
Basic Resources	4.75	4.75
Bell Telephone	57½	56¾
Bow Valley Ind.	31¼	31⅛
BP Canada	15¼	15¼
Brascan	16	16⅛
Brinco	†4.65	4.70
Calgary Power	38⅛	37½
Camflo Mines	15⅛	15¼
Canada Cement	10⅝	10⅝
Canada NW Lan	12¼	11⅝
Can. Imp. Bk. Com.	28⅛	28
Canada Indust.	†20⅛	20¼
Can. Pacific	19⅛	19⅛
Can. Pacific Inv.	19½	19¾
Can. Super Oil	61	60
Carling O'Keefe	4.20	4.70
Cassiar Asbestos	10¾	10⅝
Chieftain	21¾	21½
Cominco	26⅝	26¾
Cons. Bathurst	28	27⅞
Consumer Gas	17¾	17⅝
Coseka Resources	6.12	5.62
Costain	12½	†12½
Daon Devel.	8¾	9
Denison Mines	74½	73½
Dome Mines	87½	87½
Dome Petroleum	65⅞	63¼
Dominion Bridge	24⅜	†24½
Domtar	18	17⅞
Dupont	14¾	†14¾
Falcon'ge Nickel	22	21¾
Ford Motor Can	74¼	74¼
Genstar	29	29¼
Giant Yel'knife	13	13⅛
Gulf Oil Canada	27½	27¼
Hawker Sid. Can.	8	7⅝
Hollinger	†35¾	36
Home Oil 'A'	41¾	41½
Hudson Bay Mng	17⅝	17¼
Hudson Bay	22	22⅝
Hudson Oil & Gas	45½	44½
I.A.C.	19⅝	19⅝
Imasco	33⅝	33
Imperial Oil	18⅞	18¾
Inco	17½	17½
Indal	13	12½
Inland Nat. Gas	10⅞	11
Int'pr. Pipe Line	15⅛	15⅛
Kaiser Resources	14¾	14⅞
Laurt Fin. Corp.	8⅞	8½
Loblaw Com. 'B'	4.10	3.95
McMill'n Bloed'l	18⅞	19
Massey Ferguson	11⅞	11¾
McIntyre	23⅞	23½
Moore Corpn	37¾	37⅜
Mountain State Rs	3.50	3.50
Noranda Mines	26	26¼
Norcen Energy	16⅛	15¾
Nthn. Telecom	32	31⅝
Numac Oil & Gas	37	36¼
Oakwood Petrol'm	4.40	4.15
Pacific Copper M.	1.96	1.96
Pacific Petroleum	38½	38½
Pan. Can. Pet'm.	33¼	33
Patino	†15¾	16
Peoples Dept S.	4.85	4.75
Place Gas & Oil	0.95	0.95
Placer Developm't	22¼	21⅝
Power Corporat'n	16⅛	16⅛
Price	13⅞	13⅞
Quebec Sturgeon	1.40	1.40
Ranger Oil	31⅞	31¾
Reed Shaw	10⅝	10⅝
Rio Algom	32¾	32½
Royal Bk. of Can.	32⅜	32¼
Royal Trust	17¾	17¾
Sceptre R'source	8½	8½
Seagram	25¾	25⅜
Shell Canada	13⅞	13⅞
Sherritt G. Mines	5.62	5.37
Siebens O. G.	29⅝	29⅞
Simpson	5⅜	5⅜
Steel of Canada	25	24⅝
Steep Rock Iron	†2.70	2.70
Texaco Canada	41¼	41
Toronto Dom. Bk.	19⅞	19¾
TransCan PipeLn	16⅝	15⅛
Trans Mount Pipe	9	8¾
Trizec	†14	—
Union Gas	11	10⅞
Utd. Siscoe Mines	7⅜	7⅜
Walker Hiram	33⅛	33¼
West Coast Trans.	11¼	11⅛
Weston Geo.	17¾	17¼

† Bid. ‡ Asked. § Traded. ¶ New stock.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Ptas 500 denom. unless otherwise stated.
♣ Kr 100 denom. unless otherwise stated.
✤ Frs 500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased.

GERMANY ◆

July 11	Price Dm.	+ or −	Div. %	Yld. %
AEG	77.4	+0.3	—	—
Allianz Versich.	475xr	−2	31.2	3.3
BMW	246xr	−2	28.08	5.7
BASF	130.3xr	−0.8	18.76	7.2
Bayer	132.8xr	−0.2	18.76	7.1
Bayer-Hypo	286	−2	28.12	4.9
Bayer-Verein-bk.	319.5	−0.5	18	2.9
Ciba Int. Ned. wrts	165	+2	—	—
Commerzbank	231.0	−1.2	26.56	7.4
Conti Gummi	75.8	−1.6	—	—
Daimler Benz	303.5xd	−1.0	28.12	4.7
Degussa	255.1	−0.9	17	3.3
Demag	157.0xr	−1.8	14	4.5
Deutsche Bank	304.4xr	−1.1	28.12	4.6
Dresdner Bank	240.5	−2.5	28.12	5.9
Dyckerhoff Zement	191xr	......	9.36	2.5
Gutehoffnung	203.0	−1.5	12	2.9
Hapag Lloyd	123.8	+0.8	14.04	5.7
Harpener	267.0xr	−2.5	15.72	5.6
Hoechst	127.1	−1.6	18.76	7.4
Hoesch	44.7	+0.1	4	4.4
Horten	135.5	−0.5	9.36	3.4
Kali und Salz	144.5	−1.0	14.04	4.9
Karstadt	315.5	−0.5	23.44	3.7
Kaufhof	226.5	−1.5	18.72	4.1
Klockner DM100	89.6	−1.4	—	—
KHD	180.5	−2.6	18.76	5.2
Krupp	94.0	−0.5	—	—
Linde	258	−4	25	4.9
Lowenbrau 100	1,410	......	25	8.9
Lufthansa	103.1	−0.4	9.36	4.5
MAN	202.5	−0.5	12	2.9
Mannesmann	159.2	−1.8	17.18	5.4
Metallges	230	+1	10	2.2
Munchener Ruck	565	......	18	1.6
Neckermann	144.0	−2.6	—	—
Preussag DM 100	121	−2	—	—
Rhein West. Elec.	187.2	−0.3	25	6.7
Schering	266.8xd	−0.7	28.12	5.3
Siemens	286.0	−2.5	16	2.8
Sud Zucker	249.0	−0.5	26.56	5.3
Thyssen A.G.	117.0	−0.8	17.18	7.3
Varta	176xr	......	14	4.0
VEBA	122.6	−0.9	12	4.9
Vereins & West Bk	288	−2	18	3.1
Volkswagen	221.1	−2.2	25	5.7

TOKYO ¶

July 11	*Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	330	......	14	2.1
Canon	469	−10	12	1.3
Casio	710	−15	25	1.8
Chinon	429	−2	20	2.3
Dai Nippon Print	566	+3	18	1.6
Fuji Photo	550	−5	15	1.4
Hitachi	254	−2	12	2.4
Honda Motors	574	......	18	1.6
House Food	1,230	......	35	1.4
C. Itoh	248	+8	12	2.4
Ito-Yokado	1,480	......	30	1.0
Jaccs	700	......	13	0.9
J.A.L.	2,630	−10	—	—
Kansai Elect Pw	1,200	......	10	4.2
Komatsu	346	+2	18	2.6
Kubota	281	......	15	2.7
Kyoto-Ceramic	4,110	−40	35	0.4
Matsushita Ind.	749	−2	20	1.3
Mitsubishi Bank	279	......	10	1.8
Mitsubishi Heavy	128	−2	12	4.7
Mitsubishi Corp	428	−2	13	1.5
Mitsui & Co.	324	+1	14	2.2
Mitsukoshi	603	−3	20	1.7
Nippon Denso	1,530	−10	15	0.5
Nippon Shinpan	711	+13	12	0.8
Nissan Motors	791	......	16	1.0
Pioneer	1,770	−20	48	1.4
Sanyo Electric	260	−4	12	2.3
Sekisui Prefab	915	+5	30	1.6
Shiseido	1,190	−10	20	0.8
Sony	1,690	......	40	1.2
Taisho Marine	237	−1	11	2.3
Takeda Chemical	408	−5	15	1.8
TDK	2,290	−30	30	0.7
Teijin	123	−1	10	4.1
Tokio Marine	490	−3	11	1.1
Tokyo Elect Pow'r	1,130	−10	8	3.5
Tokyo Sanyo	333	−2	12	1.8
Tokyo Shibaura	142	−1	10	3.5
Toray	154	−3	10	3.2
Toyota Motor	910	−10	20	1.1

Source Nikko Securities, Tokyo

AUSTRALIA

July 11	Aust. $	+ or −
ACMIL (25 cent)	†0.64	......
Acrow Australia	†0.84	−0.02
Allied Mng. Trdg. Inds. $1	†2.10	......
Ampol Exploration	†1.36	+0.01
Ampol Petroleum	†0.81	+0.03
Assoc. Minerals	†1.15	+0.05
Assoc. Pulp Paper $1	†1.24	......
Assoc. Con. Industries	†1.63	......
Aust. Foundation Invest.	†1.07	+0.02
A.N.I.	†1.60	+0.05
Audimco	†0.38	−0.02
Aust. Oil & Gas	†0.51	......
Bamboo Creek Gold	†0.30	......
Blue Metal Ind.	†1.15	......
Bougainville Copper	†1.28	+0.02
Brambles Industries	†1.70	......
Broken Hill Proprietary	†7.54	+0.14
BH South	†1.21	+0.03
Carlton United Brewery	†1.73	......
C. J. Coles	†2.02	+0.02
CSR ($1)	†2.98	+0.08
Cockburn Cement	†1.25	......
Cons. Goldfields Aust.	†4.10	......
Container ($1)	†2.20	......
Conzinc Riotinto	†2.58	+0.18
Costain Australia	†1.00	......
Dunlop Rubber ($1)	†1.38	......
ESCOR	†0.90	......
Elder-Smith	†2.25	......
E.Z. Industries	†2.50	......
Gen. Property Trust	†1.55	......
Hamersley	†2.22	+0.07
Hooker	†0.72	−0.01
ICI Australia	†2.20	......
Inter-Copper	†0.27	......
Jennings Industries	†1.15	......
Jones (David)	†1.16	−0.01
Lennard Oil	†0.24	......
Metals Exploration	†0.28	......
MIM Holdings	†2.10	+0.01
Myer Emporium	†1.73	+0.01
News	†2.35	+0.05
Nicholas International	†0.86	......
North Broken H'dings (50c)	†1.29	+0.01
Oakbridge	†1.78	+0.03
Oil Search	†0.14	......
Otter Exploration	†0.38	+0.01
Pioneer Concrete	†1.52	......
Reckitt & Colman	†2.85	......
H. C. Sleigh	†0.71	+0.01
Southland Mining	†0.34	+0.01
Spargos Exploration	†0.36	−0.01
Tooth (S.)	†1.82	−0.02
Waltons	†0.85	......
Western Mining (50 cents)	†1.55	......
Woolworths	†1.55	+0.03

OSLO

July 11	Price Kroner	+ or −	Div. %	Yld. %
Bergen Bank	92.0	−0.5	9	9.7
Borregaard	65.0	−0.5	—	—
Creditbank	106.5	......	11	9.4
Kosmos	212.5	−2.5	20	9.4
Kreditkassen	103.0	......	11	10.8
Norsk Hydrokr. Kr80	186	+6	12	5.2
Storebrand	82.5	......	7	10.8

BRAZIL

July 11	Price Cruz	+ or −	Cruz Div.	Yld. %
Acesita OP	0.97	......	0.12	12.37
Banco do Brazil	1.99	−0.02	0.17	8.54
Banco Itau	1.50	......	0.37	8.4
Belgo Mineira OP	1.98	−0.02	0.08	4.04
Lojas Amer. OP	3.22	−0.08	0.20	6.21
Petrobras PP	3.24	−0.01	0.13	4.01
Pirelli	1.50	......	0.16	10.66
Souza Cruz OP	2.85	......	0.23	8.07
Unip PE	5.45	−0.05	0.25	4.58
Vale Rio Doce PP	1.81	−0.04	0.18	14.37

Turnover: Cr. 100.6m. Volume: 52.1m.
Source: Rio de Janeiro SE.

JOHANNESBURG

MINES

July 11	Rand	+ or −
Anglo American Corpn.	5.70	−0.05
Charter Consolidated	3.60	+0.10
East Driefontein	12.90	+0.15
Elsburg	1.55	+0.03
Harmony	6.65	+0.05
Kinross	6.70	+0.05
Kloof	9.60	+0.05
Rustenburg Platinum	1.45	−0.01
St. Helena	†15.75	
Southvaal	8.60	+0.05
Gold Fields SA	24.20	
Union Corporation	4.86	−0.09
De Beers Deferred	6.70	−0.13
Blyvooruitzicht	5.80	−0.05
East Rand Pty.	6.10	+0.05
Free State Geduld	29.25	
President Brand	†16.25	+0.12
President Steyn	12.60	−0.15
Stilfontein	4.95	−0.05
Welkom	†4.85	−0.10
West Driefontein	37.30	−0.25
Western Holdings	34.40	−0.10
Western Deep	†14.25	+0.12
INDUSTRIALS		
AECI	2.55	+0.05
Anglo-Amer. Industrial	10.30	+0.05
Barlow Rand	4.20	
CNA Investments	†1.70	−0.05
Currie Finance	0.88	+0.05
De Beers Industrial	†10.50	
Edgars Consolidated Inv.	†2.20	
Edgars Stores	†27.50	+0.50
EverReady SA	†1.75	+0.02
Federale Volksbeleggings	1.70	
Greatermans Stores	†2.25	
Guardian Assurance (SA)	2.00	
Huletts	1.68	
LTA	2.12	
McCarthy Rodway	†0.55	−0.03
NedBank	2.80	+0.02
OK Bazaars	7.60	+0.05
Premier Milling	†6.00	+0.02
Pretoria Cement	3.45	+0.05
Protea Holdings	1.29	+0.01
Rand Mines Properties	2.20	+0.10
Rembrandt Group	3.50	−0.05
Retco	0.36	
Sage Holdings	1.37	−0.03
SAPPI	2.29	+0.05
C. G. Smith Sugar	5.00	
SA Breweries	1.47	
Tiger Oats and Natl. Mlg.	10.30	+0.20
Unisec	1.19	+0.01

Securities Rand U.S.$0.69⅝
(Discount of 39.3%)

SPAIN ♥

July 11	Per cent	
Asland	121	—
Banco Bilbao	303	−1
Banco Atlantico (1,000)	244	+1
Banco Central	308	−4
Banco Exterior	266	−2
Banco General	282	−2
Banco Granada (1,000)	153	—
Banco Hispano	234	−2
Banco Ind. Cat. (1,000)	171	−1
B. Ind. Mediterraneo	209	—
Banco Popular	244	−6
Banco Santander (250)	309	−6
Banco Urquijo (1,000)	259	—
Banco Vizcaya	243	—
Banco Zaragozano	274	+2
Bankunion	156	+3
Banus Andalucia	205	—
Babcock Wilcox	29	—
CIC	82	—
Dragados	207	—
Inmobanif	79	—
E. I. Aragonesas	54	−0.25
Espanola Zinc	102	—
Expl. Rio Tinto	92	−0.75
Fecsa (1,000)	67	+1
Fenosa (1,000)	71	—
Gal. Preciados	79	—
Grupo Velazquez (400)	165	—
Hidrola	76.50	−2
Iberduero	82	−3.25
Olarra	138	−2
Papeleras Reunidas	72	−1
Petroliber	115	−7
Petroleos	204	+1
Sarrio Papalera	57	—
Sniace	92.50	—
Sogefisa	124	—
Telefonica	86.50	−0.50
Torras Hostench	96	−1
Tubacex	100	−7.50
Union Elec.	66	−4.50

AMSTERDAM

July 11	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	105.5	+0.8	s28	3.4
Akzo (Fl.20)	28.7	+0.2	—	—
Algem Bank (Fl.100)	365.0	+0.2	23.5	6.4
AMEV (Fl.10)	81.7xr	−0.5	50	6.2
Amrobank (Fl.20)	75.9	+0.2	23.5	5.6
Bijenkorf	95.3	+1.1	26	5.5
Boka West'm (Fl.10)	119.5	+1.0	82½	6.7
Buhrm Tetterode	71.2	......	26	7.3
Elsevier N.V. (Fl.20)	274	−2	27.5	2.1
Ennia N.V. Bearer	132.5	+0.5	37.5	5.6
Euro Com'Tst (Fl.10)	68.5	......	94.5	5.0
Gist Brocades (Fl.10)	35.7	−1.5	20	5.9
Heineken (Fl.25)	100.8	+0.9	14	3.5
Hoogovens (Fl.20)	32.8	+0.1	—	—
Hunter D. (Fl.100)	24.9	......	12	4.8
K.L.M. (Fl.100)	155.3	−0.3	8	5.2
Int. Muller (Fl.20)	47.6	+0.1	19	8.0
Naarden (Fl.10)	34.2	......	12.5	3.7
Nat. Ned Ins. (Fl.10)	99.2	+0.1	48	4.9
Ned Cred Bk (Fl.20)	52.4	−0.2	21	7.9
Ned Mid Bk (Fl.50)	197	+1.2	22	5.5
Oce (Fl.20)	154	−2	36	4.6
Van Ommeren	140.5	−0.1	8	5.7
Pakhoed (Fl.20)	37.9	−0.1	—	—
Philips (Fl.10)	26.3	−0.2	17	6.5
Rijn Sch Ver (Fl.100)	80.1	−0.4	—	—
Robeco (Fl.50)	172.8	+0.7	A26a	7.4
Rolinco (Fl.50)	152.2	+0.2	—	—
Rorento (Fl.50)	122.8	−0.2	s9.3	3.8
Royal Dutch Fl.20	133.1	+2	50.75	8.2
Slavenburg	237.5	−0.3	20	8.0
Stevin Grp (Fl.20)	130.2	−0.8	27.5	4.2
Tokyo Pac. Hldgs. $	132.5	+0.5	$0.50	0.6
Unilever (Fl.20)	123.2	+1.0	42.	7.0
Viking Res. Intl.	40.7xd	......	$0.20	1.2
Westlan'du Bank	401.5	+1.0	33	4.0

BRUSSELS/LUXEMBOURG

July 11	Price Frs.	+ or −	Div. Frs. Net	Yld. %
Arbed	2,355	+20	—	—
Bq. Brx. Lamb.	1,530	−10	72	4.7
Bekaert "B"	2,000	−10	116	5.7
C.B.R. Cement	1,140	......	100	8.8
Cockerill	471	+1	—	—
EBES	2,230	......	177	8.0
Electrobel	6,550	−10	450	6.6
Fabrique Nat.	2,700	+5	170	6.3
G.B. Inno Bm.	2,225	−15	150	6.7
Gevaert	1,300	+2	85	6.5
Hoboken	2,450	+50	170	6.9
Intercom	1,750	−15	142	8.1
Kredietbank	6,730	−50	290	4.3
La Royale Belge	5,730	+20	525	5.7
Pan Holding	2,650	+30	$2.55	3.1
Petrofina	3,740	+50	174	4.7
Soc Gen Banque	2,950	......	205	6.9
Soc Gen Belgique	1,935	−15	140	7.1
Sofina	3,150	......	215	6.8
Solvay	2,405	−15	A210	8.7
Traction Elect.	2,530	−30	170	6.7
UCB	926	......	—	—
Un Min. (1/10)	718	−2	50	6.9
Vieille Montagne	1,460	−40	—	—

SWITZERLAND ✤

July 11	Price Frs.	+ or −	Div. %	Yld. %
Aluminium	1,240	......	8	3.2
BBC 'A'	1,645	+5	10	3.0
Ciba Geigy (Fr.100)	1,150	+25	22	2.0
Do. Part. Cert.	845	+25	22	2.6
Do. Reg.	587	+3	22	3.7
Credit Suisse	2,160	+5	16	3.7
Electrowatt	1,740	......	10	2.9
Fischer (George)	685	−5	6	5.6
Hoffman Pt Certs.	70,500	+500	550	0.8
Do. (small)	7,075	+75	55	0.8
Interfood B	3,900	......	21	2.7
Jelmoli (Fr.100)	1,415	−5	21	1.5
Nestle (Fr.100)	3,510	+20	85.6	2.4
Do. Reg.	2,245	+15	85.7	3.8
Oerlikon B (F.250)	2,580	......	15	1.4
Pirelli SIP (F.100)	287	+2	15	5.2
Sandoz (Fr.250)	3,890	+60	26	1.6
Do. Part Certs.	480	−5	26	2.7
Schindler Ct F100	305	−5	12	3.9
Sulzer Ct (Fr.100)	363	+8	14	3.8
Swissair (F.350)	835	+22	10	4.2
Swiss Bnk. F.100	377	+2	10	2.6
Swiss (Re) F.250	4,750	+25	40	2.1
Union Bank	3,065	+20	20	3.3
Zurich Ins.	10,850	+100	44	2.0

COPENHAGEN ♣

July 11	Price Kroner	+ or −	Div. %	Yld. %
Andelsbanken	134	......	11	8.2
Burm'ster W.	434	......	15	4.5
Danske Bank	122¾	......	12	9.8
East Asiatic Co.	162½	−1½	12	7.3
Finansbanken	139	−¼	13	10.2
Bryggerier	370	......	12	3.2
For. Papir	79	+½	—	—
Handelsbank	125¾	......	12	8.9
G.Nth'n H. (Kr80)	263	......	12	4.1
Nord Kabel	191	−½	12	6.3
Oliefabrik	79	+¼	—	—
Privatbank	139	−7½	—	8.3
Provinsbank	136½	......	11	8.1
Soph. Berendsen	405	......	12	3.0
Superfos	179½	+¼	12	6.7

VIENNA

July 11	Price %	+ or −	Div. %	Yld. %
Creditanstalt	342	......	10	2.9
Perlmooser	268	−2	9	3.7
Selecta	606	......	38	7.9
Semperit	90	......	—	—
Steyr Daimler	217	+7	8	3.7
Veit Magnesit	250	−2	10	4.3

MILAN

July 11	Price Lire	+ or −	Div. Lire	Yld. %
ANIC	97	−2	—	—
Bastogi	452	−17	—	—
Fiat	1,790xc	−19	150	8.3
Do. Priv.	1,483xc	−27	150	10.1
Finsider	120	−8	—	—
Italcementi	11,510	−285	600	5.2
Italsider	238.5	−11.5	—	—
Mediobanca	33,000	......	1,200	3.6
Montedison	147.50	−5.75	—	—
Olivetti Priv	970	−18	—	—
Pirelli & Co.	1,609	−6	130	8.1
Pirelli Spa	952	−11	80	8.4
Snia Viscosa	730.5	−10.5	—	—

PARIS

July 11	Price Frs.	+ or −	Div. Frs.	Yld. %
Rente 4½	740.8	−2.7	4½	0.6
Afrique Occid'l'e	390	+1	21.15	5.4
Air Liquid	316	+4	16.5	5.2
Aquitaine	527	+4	26.25	5.0
BIC	492xd	−14	16.56	2.9
Bouygues	917	+18	42	4.6
B.S.N. Gervais	542	+20	40.5	7.5
Carrefour	1,640	+18	75	4.6
C.G.E.	362	+4.1	31.5	8.7
C.I.T. Alcatel	1,050	+9	76.50	7.3
Cie Bancaire	341	+11	12	3.5
Club Mediter	425	+1.0	11.25	2.7
Credit Com Fr'ce	128	+1.6	12	9.4
Creusot Loire	75.5	−0.9	—	—
Dumez	759	+12	33.75	4.4
Fr. Petroles	138.5xd	+1.5	14.10	10.1
Gen. Occidentale	188.5	+1.0	8.25	4.3
Imetal	58.1	−1.7	5.7	9.8
Jacques Borel	126.8	−1.7	—	—
Lafarge	200.8	+3.8	16.77	8.4
L'Oreal	817.0	−3	15.97	1.9
Legrand	1,747	+57	36.75	2.1
Maisons Phenix	489.9	+3.9	39.5	8.1
Michelin "B"	1,305	+21.0	32.55	2.5
Moet Hennessey	502	−3.0	12.6	2.5
Moulinex	156.9	+1.4	3	1.9
Paribas	176	+5	19.35	11.3
Pechiney	86.9	+2.4	7.6	8.7
Pernod-Ricard	267.0	+7	7.6	2.8
Peugeot-Citroen	384.5	+7.0	17.25	4.5
Poclain	215	......	—	—
Radio Technique	441.0	+11	30	6.1
Redoute	535.0	+5.0	30	5.1
Rhone Poulenc	100.6	−0.4	9	9.0
St. Gobain	147.60	+2.5	14.55	9.8
Skis Rossignol	1,655.0	+5.0	39	2.3
Suez	275.0	+5.5	26.5	9.2
Telemecanique	740	+18	26.5	3.5
Thomson Brandt	213.8	+5.3	16.15	7.1
Usinor	24.3	−0.4	—	—

STOCKHOLM

July 11	Price Krone	+ or −	Div. Kr.	Yld. %
AGA AB (Kr.50)	218	+3	6.6	2.5
Alfa Laval B (Kr50)	142	......	5	3.6
ASEA (Kr.50)	81.5	+0.5	5	6.1
Atlas Copco (Kr25)	126	......	6	4.8
Billerud	65xr	−1	4	5.9
Bofors	116	+1	y4	3.5
Cardo	197	−1	6.75	2.9
Cellulosa	240	......	10	4.2
Elect'lux 'B' (Kr50)	141	......	6.5	4.4
Ericsson 'B' (Kr50)	142	......	6	4.4
Esselte "B"	309	+4	8	2.6
Fagersta	95	......	4	4.2
Granges (free)	54	+1	—	—
Handelsbanken	345	......	16	4.7
Marabou	105	+5	8	7.9
Mo Och Domsjo	80.0	−0.5	—	—
Sandvik A.B.	259	+1	5.75	2.2
S.K.F. 'B' Kr.	64.5	+0.5	4.5	7.0
Skand Enskilda	154	......	8	5.2
Tandstik 'B' Kr50	69	−1	5	7.1
Uddeholm	58	......	—	—
Volvo (Kr. 50)	67	−0.5	6	8.9

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN	F330	—	—	—	—	8	40.50	F365
ABN	F350	2	14.50	—	—	—	—	..
ABN	F360	—	—	—	—	1	12.50	..
AKZ	F27.50	—	—	20	3.50	—	—	F29.90
AKZ	F30	—	—	20	2.20	28	4.20	..
AKZ	F32.50	—	—	53	1.30	7	2.30	..
HO	F32.50	—	—	10	2.50	—	—	F32.80
HO	F35	—	—	—	—	1	2.50	..
HO	F37.50	—	—	27	1.30	1	1.60	..
IBM	$260	4	3⅜	1	10½	—	—	$260
IBM	$280	—	—	10	4⅛	—	—	..
KLM	F140	—	—	1	20	1	23	F150
KLM	F150	—	—	4	14	8	17.50	..
KLM	F160	2	0.80	16	9.80	—	—	..
KLM	F170	—	—	—	—	4	9.50	..
KLM	F180	—	—	6	4.60	1	9	..
KLM	F200	—	—	5	2.90	6	4.40	..
KLM	F220	—	—	30	1.10	5	2.60	..
NN	F98.90	—	—	6	6	10	7	F99.20
NN	F108.90	—	—	1	2.10	2	3.80	..
PHI	F25	—	—	3	2.10	1	3.20	F26.30
PHI	F27.50	—	—	13	0.80	2	1.50	..
RD	F120	7	13.30	5	14	—	—	F133
RD	F130	15	3.40	13	5.40	5	7.10	..
RD	F140	13	0.10	—	—	10	2.50	..
UNI	F110	7	13	22	13	10	15	F123
UNI	F120	6	3.20	26	5	—	—	..
UNI	F130	—	—	—	—	3	2.90	..
		Aug.		Sep.		Feb.		
EA	$50	—	—	19	8¼	—	—	$54⅞
OXT	$20	—	—	2	3⅛	—	—	$21
SCB	$90	2	1¼	..	—	—	—	$83¾

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hill Samuel	§10 %
Allied Irish Banks Ltd.	10 %	C. Hoare & Co.	†10 %
American Express Bk.	10 %	Julian S. Hodge	11 %
Amro Bank	10 %	Hongkong & Shanghai	10 %
A P Bank Ltd.	10 %	Industrial Bk. of Scot.	10 %
Henry Ansbacher	10 %	Keyser Ullmann	10 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	12 %
Bank of Credit & Cmce.	10 %	Lloyds Bank	10 %
Bank of Cyprus	10 %	London Mercantile	10 %
Bank of N.S.W.	10 %	Edward Manson & Co.	11½%
Banque Belge Ltd.	10 %	Midland Bank	10 %
Banque du Rhone	10½%	■ Samuel Montagu	10 %
Barclays Bank	10 %	■ Morgan Grenfell	10 %
Barnett Christie Ltd.	11 %	National Westminster	10 %
Bremar Holdings Ltd.	11 %	Norwich General Trust	10 %
Brit. Bank of Mid. East	10 %	P. S. Refson & Co.	10 %
■ Brown Shipley	10 %	Rossminster Ltd.	10 %
Canada Perm't. Trust	10 %	Royal Bk. Canada Trust	10 %
Capital C & C Fin. Ltd.	10 %	Schlesinger Limited	10 %
Cayzer Ltd.	10 %	E. S. Schwab	11½%
Cedar Holdings	10½%	Security Trust Co. Ltd.	11 %
■ Charterhouse Japhet	10 %	Shenley Trust	11 %
Choulartons	10 %	Standard Chartered	10 %
C. E. Coates	11 %	Trade Dev. Bank	10 %
Consolidated Credits	10 %	Trustee Savings Bank	10 %
Co-operative Bank	*10 %	Twentieth Century Bk.	11 %
Corinthian Securities	10 %	United Bank of Kuwait	10 %
Credit Lyonnais	10 %	Whiteaway Laidlaw	10½%
The Cyprus Popular Bk.	10 %	Williams & Glyn's	10 %
Duncan Lawrie	10 %	Yorkshire Bank	10 %
Eagil Trust	10 %		
English Transcont.	11 %		
First Nat. Fin. Corpn.	12 %		
First Nat. Secs. Ltd.	12 %		
■ Antony Gibbs	10 %		
Greyhound Guaranty	10 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		
■ Hambros Bank	10 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 7%, 7-month deposits 7½%.

† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½% and over £25,000 7¾%.

‡ Call deposits over £1,000 7%.

§ Demand deposits 7½%.

FARMING AND RAW MATERIALS

[W]orld cocoa [su]rplus may [r]ise

[WORL]D COCOA production will [excee]d consumption by 49,000 [tonne]s in 1977-78 according to [revise]d figures issued yesterday [by] the International Cocoa [Organ]isation's statistics com[mittee] and contrasts with a re[vised] deficit of 80,000 tonnes in [the 1]976-77 season.

[Thi]s compares with a surplus [of on]ly 20,000 tonnes previously [forec]ast in March by the [Organ]isation's statistics committee [and] contrasts with a revised [defici]t of 80,000 tonnes in the [1976-7]7 season.

[In] computing the current [season]'s surplus, the Secretariat [raise]d its estimate of gross [world] 1977-78 production to [...]000 tonnes compared with [...]000 forecast in March and [...]000 tonnes in 1976-77.

[It n]ow estimates world 1977-78 [grind]ings at 1,399,000 tonnes [comp]ared with 1,418,100 tonnes [previ]ously forecast and 1,416,000 [tonne]s in 1976-77.

[The] 49,000 tonnes surplus now [forec]ast by the Organisation for [the] year ending September is well below the surplus of [...]0 tonnes forecast at end-[June] by Gill and Duffus, who [are e]xpected to bring out a new [marke]t report this week.

[Me]anwhile the Dutch cocoa grindings rose almost 40 [per] cent to 12,200 tonnes in June [from] 8,770 in May and 13.2 per [cent] from the 10,780 tonnes in [June] last year, the Central [Stati]stics Office said.

[P]hilippines [rel]ies improved [r]ice strain

MANILA, July 11.

[AN] IMPROVED rice strain that [take]s only about 100 days to [matu]re will be used in the [Phil]ippines Government's rice [prod]uction programme beginning [this] planting season, the Agri[cultu]re Ministry said.

[Th]e new variety, IR-36 VEM [(very] early-maturing) is highly [resis]tant to disease and insects [in th]e Asian region, according to [Art]uro Tanco, Agriculture [Mini]ster.

[He] said the use of the improved [vari]ety will give Filipino farmers [a ch]ance to harvest at least three [crop]s a year, in a country that [has] only two seasons: the dry, [start]ing in October, and the rainy, [start]ing in June. Reuter

[W]HALE OIL

[Br]itish imports of sperm whale [oil] last year were 5,196 tonnes, [repr]esenting 14 per cent of world [cons]umption, the Department of [Indu]stry said. The figure of [...]000 tonnes of imports men[tion]ed on this page recently [refe]rred to British purchases of [all] types of whale oil.

Copper increase puzzles dealers

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES moved up again on the London Metal Exchange yesterday but dealers were hard put to explain why. A rumours that the Société Générale des Minerais (SGM) had declared a 15 per cent *force majeure* on its copper deliveries was fiercely denied by the company.

A spokesman in Brussels told Reuter that there was no justification for such rumours and the company did not know how they had started.

In London it is believed there is some confusion about the position of SGM and Zaire copper, since it was also rumoured that the Olen refinery had declared a 50 per cent *force majeure*.

There is a 50 per cent cutback in Zaire copper sold by the State-owned marketing organisation, Sozacom, after the invasion of Shaba province.

Much of that copper passes through the Olen refinery and is turned into semi-manufactured products such as billets, cakes and continuous rod.

SGM copper supplies derive from other sources and would therefore not be affected by Zaire copper marketed by Sozacom.

Sentiment on the copper market at present appears to have changed, reflecting an oversold position after the recent steep fall in prices. Cash wirebars gained a further £7 to £704.75 a tonne yesterday.

The rise in copper has given a healthier undertone to lead and zinc, but tin is reluctant to move until the outcome of the International Tin Council discussions this week on a proposed rise in the Tin Agreement "floor" and "ceiling" prices.

Producers have decided to press for an increase in the range from M$1,200-M$1,500 to $1,500-$1,900 a picul. However, it is generally agreed that the most likely result is a compromise, of an increase either of M$100 or M$150 in the range. Even the higher figure would leave the range below the present Penang price, which rose overnight from M$1,705 to M$1,741 a picul.

But the London market, after rising initially, ran into profit-taking at the higher levels and ended the day virtually unchanged. Cash tin, after trading at £6,680 at one stage, closed at £6,625 a tonne, £10 down on the previous stage.

Impala puts up price of platinum

By Our Commodities Editor

A RISE in its producer price of platinum from $220 to $240 an ounce was announced yesterday by Impala Platinum in Johannesburg.

It belatedly follows the increase to $240 initiated by Rustenburg Platinum Mines just over a month ago.

Impala has taken a cautious line waiting to see whether the Rustenburg increase could be maintained in view of the fluctuations in the free market at the higher price levels. But it has evidently decided now that the $240 price can be sustained.

In fact the free market platinum price dipped yesterday by $2 to $241.50 an ounce, but this reflected basically the rise in the value of the dollar which also affected gold and silver prices. The *fundamental supply-demand position* that has driven platinum prices up sharply in recent months remains unchanged, with the Russians apparently still not selling despite rumours that they might be prepared to re-enter the market soon.

'Canada turned down extra beef exports'

BY OUR OWN CORRESPONDENT

OTTAWA, July 11.

MR. MARVIN MOORE, Alberta's Agriculture Minister, has accused the Federal Government of rejecting requests to export an additional 11m lb of beef to the United States.

Mr. Moore said at a meeting of provincial agricultural ministers that he has learned that Mr. Horner, Federal Trade Minister, refused to issue permits for the additional exports. They are part of a 200m lb increase in beef imports authorised by the U.S. Government to help to curb rising food prices.

Mr. Moore addressed the opening session of a three-day meeting of agriculture ministers. He is seeking clarification of Ottawa's position from Mr. Eugene Whelan, the Federal Agriculture Minister.

Alberta is incensed by the move, Mr. Moore said, "because we thought the Federal Government would automatically take the increase. We have been battling for two or three years for an increase in the annual quota the U.S. allows for the import of Canadian beef."

Ottawa, he said, was apparently giving in to fears that increased exports would push up domestic beef prices after this year's big rise in the cost of food.

He threatened that Alberta might withdraw from national *marketing plans for turkeys*, eggs and industrial milk, because its farmers were not getting production quota increases to match the province's growth in population. He said national marketing plans were too rigid.

Ontario and Quebec have lodged similar complaints with the federal minister on behalf of their producers.

Alberta will start a study on effects of withdrawing from national plans for eggs and industrial milk, and a poll will be held among producers within 12 months.

Nickel stocks growing in spite of strike

PARIS, July 11.

THE STRIKE by 3,700 workers that has disrupted production at Le Nickel's plant in New Caledonia is continuing although management and unions are talking.

Production of refined nickel products has been stopped since June 1 but the company's stocks are large enough to guarantee deliveries in progress. Security teams are keeping the furnace producing nickel matte going and stocks of unrefined nickel at the plant are growing.

The continuing production of matte means that the strike will not have the effect of achieving the management's target of cutting output to 44,000 tonnes this year from 50,000 last year. Capacity is 75,000 tonnes.

The unions want to ensure that management plans to cut production do not involve dismissals or lower pay.

Reuter

WARBLE FLY

Eradication campaign under way

BY CHRISTOPHER PARKES

THE MINISTRY of Agriculture's drive to cajole and eventually to oblige farmers to free their cattle from the blight of warble fly is now well under way.

The promised publicity campaign started at the Royal Show earlier this month and a display illustrating the gruesome and expensive life-style of the warble fly maggot is on view *again at the Great Yorkshire* Show this week.

Later this month, or early in August at the latest, the Minister will lay before Parliament the order promised in February which will legally oblige farmers to start treating all their cattle as a matter of routine.

Larvae burrow

The warble fly, outwardly remarkable for its high pitched buzz which has been known to drive herds of cattle to panic, lays its eggs during the summer on the legs of grazing stock.

The hatching larvae burrow into the flesh of their hosts and upward towards the animal's back. The grubs eventually emerge by chewing their way through the hide.

The Government announced in February that it intended to launch an eradication programme using "a combination of exhortation and compulsion" to wipe the pest out in Britain.

The Ministry of Agriculture hopes its publicity will lead farmers to dress their cattle's hides with larva-killing phosphorous compounds this autumn when the warbles are at their most vulnerable.

In any case the coming order will compel farmers to treat their animals from March 15 onwards in the new year.

Bowing to pressure from the *farmers—who objected to the* cost—and the vets who objected to playing the role of policemen for the Government, one of the early suggestions for maintaining the pressure on the warble fly population has been dropped.

The Ministry wanted farmers to be forced to obtain a veterinary certificate as proof of treatment. Now producers themselves will have to sign a declaration that the necessary dressing has been applied.

It will be an offence to send cattle to market or to the abattoir untreated.

Dr. D. Melrose, head of the Meat and Livestock Commission's *veterinary services said yesterday* he hoped that if intensive medical treatment against the pest worked as desired, warble infection could be declared a notifiable disease within three years and quickly wiped out.

The British population of warble flies is apparently falling a little after the explosion which occurred *during the hot summer* of 1976. However, according to the Meat and Livestock Commission, the meat industry's monitoring and advice organisation, the fly is still attacking a "menacingly high" number of beef cattle.

A survey of animals sold through livestock auction markets in May showed that about 34 per cent of all the animals were infested with warble grubs.

"While this is slightly below last year's average of 38 per cent, it still represents financial losses totalling millions of pounds to the livestock, meat and leather industries," the commission said in a report.

Its findings, based on examination of 58,000 animals, also showed that the Midlands were still the worst infested *region. More than 50 per cent* of stock going to auction there were suffering from infestation.

Infested

There was a fairly marked reduction in infestations noted in the East and South-East of the country, although attacks in Scotland reached the highest recorded level.

Of the 12,000 animals inspected *in Scotland during May, 23 per* cent were infested compared with 21 per cent in May 1977.

The Ministry of Agriculture estimates that its eradication programme may cost farmers £5m over five years.

Drive to switch from rice to wheat

BY KEVIN RAFFERTY

IN THE bazaars of Dacca and other towns of Bangladesh there is the strange sight these *days of men going to work carrying* wheat-based chapaties (unleavened bread) for their lunch. It may seem commonplace to any Westerner who takes sandwiches to lunch, but for the normally rice-eating Bengalis to take wheat is a significant change.

The Government hopes Bangladesh is turning to wheat in a big way. Wheat might give the country a breathing space in its fight to feed itself; it might also *save the country possibly hundreds* of millions of dollars in foreign exchange each year.

After all, there is something odd about Bangladeshis, practically the poorest people in the world, insisting on eating rice, which is almost the most expensive cereal in the world to produce.

Bangladesh has begun growing its own wheat. Last year it grew 350,000 tonnes, not much beside the 12m tonnes of rice produced, *but a significant start. Moreover,* almost all the food grain imported is wheat.

Mr. Obaidullah Khan, the Agriculture Secretary, outlined the Government's plans. Next year he hopes to double the 475,000 *acres under wheat and more than* double the crop. In a few years the country should produce at least 1m tons of wheat. The official wheat procurement price will be equal to the procurement price for paddy.

Wheat is being sown in November, after the main aman rice crop has been harvested, and *is ready in March. Yields have* been low by world standards but, at 1,450 lb an acre in 1976, are higher than rice yields of 1,060 lb. However, production from high-yielding Mexican wheat varieties has topped 1,900 lb.

Mr. Obaidullah agreed there were still many obstacles to overcome: the crop was still in its infancy. Some optimists had hoped to plant wheat without irrigation, using moisture in the soil from the summer monsoon; *but the wheat would probably* require at least some initial irrigation.

The *next years, he said, would* probably see Bangladesh having to cope with disease and then second-generation difficulties with seed and rust, and other drawbacks.

For farmers, wheat competes *with tobacco, which is more* profitable, so the Government is hoping to persuade them to plant the two crops side-by-side.

In all, Mr. Obaidullah hoped that when the research in screening and selecting seeds was complete and when extension work had convinced the farmers of the importance of wheat and helped them to get best use of the soil, Bangladesh should be able to get up to two tonnes of wheat an acre.

Mr. Obaidullah's enthusiasm for wheat is shared even by foreign agronomists and economists who on other subjects have been sceptical of what Bangladesh had achieved.

For a start, foreign missions are urging the Government to change the ration system to make wheat the only ration grain. They say that since August 1976 the Government has increased the amount of rice *distributed in rations.*

The Bangladesh ration system is limited and does not reach many of the poor. Full rations are available only in Dacca and other main towns, and to government employees. No distinction *is made between rich and poor.*

Not surprisingly given the wide difference in prices between ration rice and ordinary shops' rice, money has been made in reselling the ration rice. Restricting the ration to wheat would cut that racket and might also serve as a simple means test, as no self-respecting *rich or middle-class Bengali* would be seen buying wheat.

Cutting out rice would also save the Government money, as it is buying rice at 130 taka (£4.50) a maund (82.2 lbs) and selling it in the ration shops at 100. The wheat price by comparison is 80 taka.

The encouraging factor is that *ordinary Bangladeshis are* beginning to see wheat as a great boom. They find that they can carry their chappaties around to eat at lunch: rice is not so easily transportable, so they had either to eat in the morning or evening before or after work.

For the farmer there is an advantage that the yield for an acre is good and the work involved less. For the country, the water needs of wheat are much less than rice. So even with a bad monsoon a good wheat crop might be achieved with some initial irrigation.

Sri Lanka may end rice deal

COLOMBO, July 11

SRI LANKA is seeking the agreement of Pakistan to cancel a contract to buy *100,000* tonnes of rice this year because it is expecting to reap a record harvest, report Reuter.

A Food Department official said: "The godowns are full, and with a record harvest expected soon there will be no room to store the rice coming in."

Sri Lanka would seek Pakistan's co-operation in delaying delivery of the rice until next *year or in selling it to another* country, he added.

Sri Lanka's annual rice requirements amount to about 1.4m tonnes, of which about 25 per cent is imported

[C]OMMODITY MARKET REPORTS AND PRICES

[B]ASE METALS

[CO]PPER—Moved ahead on the London [Meta]l Exchange. The firmness on Comex [overn]ight prompted a steady opening with [forw]ard metal rising from £718 to £723 on [the] morning kerb in response to fresh buying and chartist buying as the price moved through £720. In the afternoon the upward trend gathered pace with forward metal touching £726, on the back of Comex, before easing to close at £725.5 on the late kerb. Turnover: 19,425 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £699, £702.5, 2, three months £719, 19, 19.5, 20, 21, 22, 1, 21, 21.5, 22. Cathodes, cash £695.5, three months £718.5, 18. Kerb: Wirebars, three months £722, 22.5, 23. Afternoon: Wirebars, cash £705, three months £726, 26.5, 25.5, 25, 25.5. Cathodes, three months £721.5. Kerb: Wirebars, three months £725, 24.5, 24, 23.5, 23, 23.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	701.5-2	+9	704.5-5	+7
3 months	721.5-2	+8.25	725-.5	+7.5
Settlem't	702	+9	—	.....
Cathodes				
Cash	695.5-9	+9.75	701-2	+7.5
3 months	718-.5	+9	721.5-2.5	+8.25
Settlem't	699	+9.5	.....	.....
U.S. Prod.	—	.....	*66.5-68	.....

TIN—Barely changed despite a sharp rise in the Penang price which was thought to have reflected covering against previous physical sales. Forward standard metal opened at £6,600 and traded between the latter price and £6,620 for most of the day owing to the lack of any physical demand before easing in the afternoon to close at £6,560 on the late kerb. Turnover: 1,355 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6680-5	+47.5	6620-30	—10
3 months	6595-605	+75	6560-75	+7.5
Settlem't	6685	+45	—	.....
Standard				
Cash	6670-80	+92.5	6620-30	—10
3 months	6585-90	+77.5	6550-60	+10
Settlem't	6680	+95	—	.....
Straits E.	$1741	+36	—	.....
New York	—	.....	*571.00	—1½

Morning: Standard, three months £6,600, 05, 10, 15, 20, 15, £6,600, £6,590. High Grade, cash £6,715, £6,650. Kerb: Standard, three months £6,590, 95: High Grade, cash £6,690. Afternoon: Standard, three months £6,610, 5, £6,580, 70, 60, 70, 65, 60. Kerb: Standard, three months £6,550, 70, 60, 65.

LEAD—A shade firmer in active trading with large volume traded. Forward metal opened at £313 on the pre-market and moved up to £320 in the morning rings owing to a good demand for cash metal, which lifted the forward quotation. In the afternoon the downturn in copper had a minimal effect on lead with the price steady around £319-£320 prior to closing at £319.5 on the late kerb. Turnover: 6,300 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	310-1	+5	311-.5	+2.75
3 months	319-.25	+4.62	319.5-20	+2.5
Sett'm'nt	311	+5	—	.....
U.S. Spot	—	.....	31-33	.....

Morning: Three months £318, 18, 19.5, 19.25, 19. Kerb: Three months £319.5, 19. Afternoon: Three months £319.5, 19, 19.5, 20. Kerb: Three months £320, 19.

ZINC—Fractionally easier and quiet. Forward metal rose to £327 on the pre-market but then came off to £323.5 on the morning kerb owing to profit-taking. In the afternoon the price moved up to £324.5 on fresh buying prompted by the firmness of copper and lead before easing afresh to close at £322.5 on the late kerb. Turnover: 9,600 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	312-3	+5.5	314.25-.5	—.125
3 months	322-3	+3.5	324.25-.5	—.125
S'ment	313	+3.5	—	.....
Prim. West	—	.....	29-31	.....

Morning: Three months £327, 26, 25, 24, 23. Kerb: Three months £323.5, 24. Afternoon: Cash £314.5, three months £325, 24.5. Kerb: Three months £323.5, 23, 22.5.

* Cents per pound. ‡ On previous official close. † $M per picul.

Index Limited 01-351 3466. One month Gold 186.4-187.9

Lamont Road, London SW10 0HS

1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

SILVER

Silver was fixed 1.2p an ounce higher for spot delivery in the London bullion market yesterday at 280.1p. U.S. cent equivalents of the fixing levels were: spot [illegible]

[illegible]

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	280.1p	+1.2	280p	—.5
3 months	287.2p	+1.2	287.05p	—.6
6 months	295.65p	+1.2	[illegible]	
12 months	312.1p	+0.35	[illegible]	

LME—Turnover [illegible] lots of 10,000 ozs. Morning: three months [illegible]. Kerb: three months [illegible]. Afternoon: three months [illegible].

COCOA

Values were contained in a narrow range with consumers showing light interest [illegible]

COCOA	Yesterday's Close	+ or —	Business Done
July	1779.0-80.0	—11.5	1740.0-38.0
Sept	1718.0-17.0	—6.5	1722.0-05.0
Dec	1689.0-70.0	—9.5	1693.0-68.0
March	1674.0-75.0	—1.0	1679.0-60.0
May	1658.5-67.0	—1.0	1655.0-53.0
July	1660.0-63.0	—3.0	1655.0-48.0
Sept	1648.0-52.0	—1.0	1613.0-08.0

Sales: [illegible] lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound)—Daily price July 11 149.37 (157.78). 15-day average 141.58 (140.94). 22-day average 138.27 (137.90).

COFFEE

Robustas opened lower this morning in light commission-house selling, Drexel Burnham Lambert reports. During the morning new lows were touched at £1,590 basis September but the market failed to break further and volume for the move was poor. In the afternoon a recovery developed as disappointed jobbers covered their shorts and thus the market closed at the day's highs [illegible] balance. Dealers noted [illegible] interest at the lower levels which helped steady values.

COFFEE	Yesterday's Close	+ or —	Business Done
July	1590-1600	—3.0	1590-1550
September	1632-1634	—19.5	1654-1590
November	1579-1580	—19.5	1590-1550
January	1325-1328	—19.0	1[illegible]
March	1175-1178	—11.0	1180-1150
May	1146-1150	—18.0	1127-1115
July	1115-1125	—14.5	1095-1085

Sales: 3,881 (1,344) lots of 5 tonnes. ICO Indicator prices for July 10 (U.S. cents per pound): Colombian Mild Arabicas 166.50 (157.00); unwashed Arabicas 145.00 (149.00); Robustas 133.00 [illegible]. Daily average 149.94 (141.25).

ARABICA CONTRACT—Un order, buyer, seller, business. Aug. 161.00-70.00, Oct. 145.00-53.00, Dec. 128.00-40.00, Feb. 127.00-37.00, April 123.00-30.00, June 123.00-29.00, Aug. 120.00-28.00. Sales: nil.

RUBBER

UNCHANGED opening on the London physical market. Fair interest throughout the day, closing steadier. Lewis and Peat reported a Malaysian godown price of 227 (228) cents a kilo buyer.

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
Aug	54.70-54.10	53.60-53.80	54.10
Sept	54.50-54.80	53.90-54.00	54.50-54.10
Oct-Dec	56.00-56.10	55.70-55.75	56.30-55.85
Jan-Mar	58.10-58.15	57.80-57.90	58.20-57.65
Apr-Jne	60.15-60.20	59.75-59.85	60.20-59.80
Jly-Sept	61.55-61.60	61.10-61.20	61.65-61.10
Oct-Dec	63.15-63.20	62.75-62.80	63.25-62.70
Jan-Mar	64.75-64.80	64.20-64.35	64.75-64.35
Apr-Jne	66.20-66.50	65.85-65.95	66.40-66.15

Sales: 191 (616) lots of 15 tonnes and 7 (39) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 53.25p (53.5); Aug. 53.25p (54.75); Sept. 53.75p (55.0).

SOYABEAN MEAL

The market opened unchanged in thin trading. Lower weekly U.S. soyabean export registrations and lack of buying interest depressed prices [illegible] losses ranged from £0p to 50p, reports SNW Commodities.

	Yesterday's Close	+ or —	Business Done
August	118.00-18.5	—0.50	118.9
October	116.80-16.5	—0.50	117.0-16.8
December	117.00-17.5	—0.35	117.0
February	118.00-18.5		
April	118.50-18.5		
June	119.00-20.0		
August	119.0-21.0		

Sales: 19 (9) lots of 100 tonnes.

GRAINS

LONDON FUTURES (GAFTA)—The market opened unchanged on wheat and barley. Wheat saw a good two-way trade with the emphasis on November and good buying support on the new-crop. Values closed steady, 5p higher on the day. Barley was slowly traded and closed 5p higher on nearby to 5p lower. Acli reports.

WHEAT			BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Sept	85.95	+0.05	78.65	+0.05
Nov	83.95	+0.05	81.05	+0.05
Jan	86.75	+0.05	84.05	+0.05
Mar	89.05	+0.05	86.40	—0.05
May	91.05	+0.05	88.80	—0.05

Business done—Wheat: Sept. 86.00-85.80, Nov. [illegible], Jan. [illegible], March [illegible], May [illegible]. Sales: [illegible]. Barley: Sept. [illegible], Nov. [illegible], Jan. [illegible], March [illegible]. Sales: [illegible].

IMPORTED—Wheat: CWRS No. 1 13½ per cent July and Aug. 92.50 Tilbury. U.S. Dark Northern Spring No. 2 14 per cent July [illegible] Aug. 82.50, Sept. 83.75 transhipment East Coast. U.S. Hard Winter unquoted. Australian wheat unquoted. EEC Feed unquoted.

Maize: U.S.-French July 103.00, Aug. 98.75, Sept. 100 transhipment East Coast. S. African White Aug. 69.00, Liverpool-Glasgow. S. African Yellow Aug. 69.00, Liverpool/Glasgow.

Barley: Unquoted.

HGCA—Location ex-farm spot prices. Other milling Wheat—No prices. Feed barley—Gloucester 80.80. Humberside 79.40.

The UK monetary coefficient for the week beginning July 17 will remain unchanged.

SUGAR

LONDON DAILY PRICE (raw sugar) £87.00 (£88.00) a tonne cif for July-Aug. shipment. White sugar daily price was fixed at £97.50 (£98.00).

Trade selling produced losses of about £1.50-£1.75 from overnight levels before support was uncovered and a steadier tone ensued, reports C. Czarnikow. Thereafter the market settled into a narrow range of prices until late afternoon when all losses were erased following higher overseas advices.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug	93.50-93.40	93.25-93.50	93.75-92.00
Oct	96.15-96.20	96.05-96.10	96.50-94.75
Dec	100.0-00.25	99.75-00.00	100.00-98.50
Mar	106.00-06.10	105.80-05.85	106.25-04.50
May	109.25-09.30	108.75-09.00	109.25-07.75
Aug	111.50-12.00	111.50-12.00	112.00-10.75
Oct	115.00-15.50	114.90-15.00	115.00-13.50

Sales: 2,560 (2,722) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £248.85 (same) a tonne for home trade and £147.00 (£146.00) for export.

International Sugar Agreement: U.S. cents per lb fob and stowed Caribbean port prices for July 10: Daily 6.64 (6.78); 15-day average 6.88 (6.91).

WOOL FUTURES

LONDON—The market was about unchanged with spot a little easier reports Bache.

(Pence per kilo) Australian Greasy Wool	Yesterd'ys Close	+ or —	Business Done
July	250.0-53.0		
October	241.0-42.0		
December	244.0-45.0		
March	246.0-48.0		
May	247.0-50.0		
July	248.0-51.0		
October	250.0-53.0		
December	251.0-54.0		

Sales: 0 (0) lots of 1,500 kg.

NEW ZEALAND CROSSBREDS—Close: Oct. 182-185.0, Dec. 183-185.5, March 184.5-185.5, May 185-186, July 185-188, Oct. 185.5-188.5, Dec. 187.5-188.5. Sales: 5 lots.

SYDNEY GREASY—Close (in order buyer, seller, business, sales)—Micron Contract: July 350.0-350.0, nil; Oct. 353.0-354.0, 354.5-353.0, 5; Dec. 355.0-357.5, 357.5-356.0, 6; March 359.0-361.0, 360.5-360.0, 4; May 362.5-363.0, 363.0-362.5, 4; July 365.0-366.5, nil; Oct. 367.0-368.0, 367.5-367.5, 5; Dec. 370.0-372.5, nil. Total sales 29.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 56.0 to 58.0. Ulster hindquarters 69.0 to 71.0, forequarters 38.0 to 40.0. Eire hindquarters 68.0 to 71.0, forequarters 34.0 to 37.0.

Lamb: English small 56.0 to 62.0, medium 54.0 to 61.0, heavy 50.0 to 60.0. Scotch medium 56.0 to 60.0. Imported frozen: NZ PL 54.0 to 55.0, PM 53.0 to 54.0.

Pork: English, under 100 lb 37.0 to 44.0, 100-120 lb 37.0 to 43.5, 120-160 lb 36.0 to 41.0.

MEAT COMMISSION—Average fatstock prices at representative markets on July 11. GB—Cattle 72.71p per kg.l.w. (+0.26). UK—Sheep 157.2p per kg.est.d.c.w. (+3.4). GB—Pigs 63.7p per kg.l.w. (+0.2). England and Wales—Cattle numbers down 14.1 per cent, average price 72.94p (+0.24). Sheep numbers down 8.1 per cent, average price 161.4p (+8.9). Pig numbers up 11.2 per cent, average price 63.7p (+0.2). Scotland—Cattle numbers up 12.4 per cent, average price 72.08p (+0.14). Sheep numbers up 72.0 per cent, average price 136.2p (+5.6). Pig numbers up 3.9 per cent, average price 63.0p (+0.1).

COVENT GARDEN (Prices in sterling per package except where otherwise stated)—Imported produce: Oranges—Spanish: Valencia Lates 3.20-4.10; S. African: Navels 4.00-4.50; Brazilian: 3.80-4.40. Lemons—Italian: 100/120's new crop 4.30-4.50; Spania: Trays 1.40-1.60, large boxes 3.60-4.40; S. African: 4.50-5.40. Grapefruit—S. African: 27/72 3.40-4.50; Jaffa: 40's 4.40. Apples—French: Golden Delicious 20 lb 84's 3.60, 72's 3.70-3.80; W. Australian: Granny Smith 8.50. Tasmanian: Sturmer Pippins 8.40-9.30, Granny Smith 8.60, Croftons 9.50, Democrats 9.50-9.80; S. African: Granny Smith 8.50-9.00, White Winter Pearmain 7.20, Starking Delicious 8.50-9.30, Golden Delicious 9.20-9.40, Yorks 9.50; Chilean: Granny Smith 8.40; New Zealand: Sturmer 9.40; Beauty 9.80, Golden Delicious 8.60; Italian: Rome Beauty per pound 0.14, Golden Delicious 0.16-0.17, Jonathan 0.14. Pears—Italian: Coscia 0.16, Guyot 0.18-0.20. Peaches—Spanish: Trays 2.80-3.20; Italian: 2.00-2.60. Grapes—Cyprus: Cardinal 5.00, Sultana per pound 0.40. Plums—Spanish: 3.50-4.20, Santa Rosa 2.80-3.20. Apricots—Spanish: 5 kilos 2.60-3.00. Bananas—Jamaican: Per pound 0.11. Avocados—Kenyan: Fuerte 14 24's 3.60-4.30; S. African: Fuerte 3.60-4.30. Capsicums—Dutch: French: Per 5 kilos 3.00. Cherries—Washington: 9.00. Onions—Spanish: 2.60-2.80. Tomatoes—Dutch: 2.50; Guernsey: 2.40-2.70; Jersey: 2.70. Carrots—French: Nantes 28 lb boxes 2.40. Cucumbers—Dutch: Per box 12/16's 2.00-2.40. Water-melons—Spanish: 3.60-4.00.

English produce: Potatoes—Per 56 lb 1.80-2.20. Lettuce—Per 12 1.00-1.20. Webbs 0.80. Rhubarb—Per pound, outdoor 0.06. Cucumbers—Per tray 12/24's 1.40-1.60. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley's 0.14-0.20. Tomatoes—Per 12 lb English 1.50-2.00. Greens—Per crate, Kent 1.00. Cabbages—Per crate 1.20. Celery—Per 12/24's 1.80. Strawberries—Per ½ lb 0.18-0.30. Cauliflowers—Per 12 Lincoln 2.00-2.50. Broad Beans—Per pound 0.10. Peas—Per pound 0.09-0.10. Cherries—Per pound Black 0.60, White 0.25. Gooseberries—Per pound 0.25-0.26. Courgettes—Per pound 0.38. Beetroot—Per 28 lb 2.60. Carrots—Per 28 lb 2.50-2.80.

COTTON

COTTON—Liverpool. Spot and shipment sales amounted to 112 tonnes, reports F. W. Tattersalls. Only occasional dealings were reported with interest chiefly in South American and Middle Eastern styles. Users were cautious in securing other American-type growths.

Wheat pact date move

GENEVA, July 11.

A TOP LEVEL meeting here tonight is almost certain to agree on postponing a provisional September date for a UN conference to negotiate an arrangement to *replace the 1971 International Wheat Agreement*, Mr. Tom Saylor, the U.S. delegate said.

Mr. Saylor told reporters bilateral and multilateral talks here today between members of the 12-nation interim committee had failed to narrow gaps sufficiently on coarse grains, on *action to be taken after reserve* stocks are exhausted in a rising market and on the degree of supply assurance exporters would give to importers in times of high prices.

The full interim committee is likely to meet to-morrow to endorse the decision yet to be taken by the heads of delegations, Mr. Saylor said. The interim committee was likely to meet again in the autumn.

GATT's simultaneous multilateral trade talks have hindered progress for some nations although the U.S. believes a wheat agreement should be self-balancing, Mr. Saylor stated.

Reuter

PRICE CHANGES

Prices per tonne unless otherwise stated.

	July 11 1978	+ or —	Month ago
Metals			
Aluminium	£680		£680
Free market (cts)	$1,060-80		$1020-50
Copper cash W. Bars	£704.75	+7	£735
3 months do. do.	£725.25	+7.5	£756.75
Cash Cathode	£701.5	+7.5	£727.5
3 months do. do.	£722	+8.25	£749.75
Gold Troy oz.	$185.875	+1.5	$181.575
Lead Cash	£311.25	+2.75	£308.75
3 months	£319.75	+2.5	£316.5
Nickel	£2,566		£2,566
Free Market (c/lb)	$1.75		$1.80/2.0
	1.88		—
Platinum troy oz.	£135		£135
Free Market	£142	—2	£131.5
Quicksilver (76 lb.)	$135/40		$120-25
Silver troy oz.	280.1p	+1.2	286p
3 months	287.2p	+1.2	293p
Tin Cash	£6,625	—10	£6,700
3 months	£6,565	—2.5	£6,615
Wolfram 22.04 lb	$132/38		$130/35
Zinc cash	£314.375	—0.125	£315.25
3 months	£324.375	—0.125	£326.25
Producers	$600		$550-600
Oils			
Coconut (Phil)	$660		$650
Groundnut	£644		£739
Linseed Crude	£360		£385
Palm Malayan	$595	+5	$590
Seeds			
Copra Philip	$460		$440
Soyabean (U.S.)	$268.75	—2	$282
Grains			
Barley EEC			
Home Futures	£81.45	+0.05	£82.2
Maize			
French No. 3 Am	£105		£105
Wheat			
No. 1 Red Spring	£92.5p		£96.25
No. 2 Hard Winter	:		
English Milling†	£91.50		£105
Cocoa Shipment	£1,781.5	—6.5	£1,740
Future Sept.	£1,718.5	—6.5	£1,635.5
Coffee Future			
Sept.	£1,633	—19.5	£1,686
Cotton 'A' Index	70.55c	—0.2	71.45c
Rubber kilo	53.25p	—1	57.5p
Sugar (Raw)	£87	—2	£101
Wooltops 64s kilo	265p	.....	283p

* Nominal. † New crop. ‡ Unquoted. k August. m June-August. u July-Sept. p July-Aug. q Sept. v August-Sept. x Per ton.

INDICES

FINANCIAL TIMES

July 11	July 10	Month ago	Year ago
259.44	259.99	247.23	245.81

(Base: July 1, 1952=100)

REUTER'S

July 11	July 10	Month ago	Year ago
1448.0	1447.1	1510.0	1532.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	July 11	July 10	Month ago	Year ago
Spot	366.81	365.39	359.23	391.15
Futures	342.86	342.39	337.48	341.88

(Average 1924-25-26=100)

MOODY'S

Moody's	July 11	July 10	Month ago	Year ago
Staple Commty	911.2	915.4	925.2	880.7

(December 31, 1931=100)

★

GRIMSBY FISH—Supply good and demand good. Prices per stone at ship's side (unprocessed): Shelf cod £3.60-£4.50; Codlings £2.60-£3.20; Large haddock £4.50-£5.00; Medium haddock £3.50-£4.50; Small haddock £2.60-£3.40; Large plaice £4.50-£5.20; Medium plaice £4.50-£5.00; Best small plaice £3.80-£4.80; Skinned dogfish large £9.00, medium £5.00; Lemon soles large £6.00, medium £5.50; Saithe £1.60-£2.40.

U.S. Markets

Copper and gold rise; grains weak

NEW YORK, July 11.

COPPER experienced stop-loss buying on a chart break-out. Gold and silver commission-houses were on both sides of the market with trade buying on weakness only. Coffee rose on commission-house short-covering and trade selling on lower Mexican registrations. Sugar had moderate trade buying with steady values still precluding the prospect of a major reversal of the downtrend. Cocoa was extremely dull again. Recent grinding figures have had no impact on market, reports Bache.

Cocoa—July 144.20 (143.35), Sept. 139.45 (139.20), Dec. 136.15, March 133.35, May 130.85, July 128.85, Sept. 126.85, Dec. 125.05 settlements. Sales 324.

Coffee—"C" Contract: July 149.40-149.45 (146.00), Sept. 133.75-134.00 (133.50), Dec. 124.50, March 117.50-118.00, May 114.25-115.00, July 113.00-113.50, Sept. 110.00-112.00, Dec. 100.00-111.0. Sales 510 lots.

Copper—July 61.00 (60.50), August 61.40 (60.80), Sept. 62.00, Dec. 63.70, Jan. 64.30, March 65.40, May 66.40, July 67.40, Sept. 68.40, Dec. 69.50, Jan. 70.30, March 71.30, May 72.30 settlements. Sales 2,050 lots.

Cotton—Oct. 59.70-59.75 (59.13), Dec. 61.16-61.18 (61.16), March 62.65, May 63.90, July 64.50-64.92, Oct. 64.30-64.95, Dec. 63.95-65.00. Sales 3,450.

*Gold—July 185.70 (186.30), August 186.60 (187.20), Sept. 188.40, Oct. 189.30, Dec. 192.30, Feb. 195.60, April 198.70, June 201.90, August 205.10, Oct. 208.30, Dec. 211.50, Feb. 214.70, April 217.90 settlements. Sales 6,330 lots.

†Lard—Chicago loose (not available). NY prime steam 24.25 traded (24.50 asked).

†Maize—July 239¼ (243¼), Sept. 244 (247), Dec. 249½-249¾, March 257¼-257¾, May 261¼, July 262½.

§Platinum—July 240.80-241.00 (241.90), Oct. 245.00-246.00 (246.70), Jan. 248.50-248.80, April 251.90-252.10, July 255.40-255.60, Oct. 258.90-259.10, Jan. 262.60-262.80. Sales 935 lots.

*Silver—July 528.50 (525.10), August 526.90 (530.50), Sept. 532.70, Dec. 544.60, Jan. 548.60, March 556.90, May 565.70, July 574.60, Sept. 583.60, Dec. 597.20, Jan. 601.80, March 611.20, May 620.70 settlements. Sales 6,000 lots. Handy and Harman spot bullion 525.20 (528.70).

Soyabeans—July 687½-687 (696½), August 676-677 (681½), Sept. 641, Nov. 618-619½, Jan. 623½, March 629½, May 632-633, July 633.

||Soyabean Meal—July 175.30-175.10 (175.20), August 174.50-174.00 (173.90), Sept. 173.00, Oct. 170.00, Dec. 168.00-167.30, Jan. 168.00-167.50, March 169.30-169.50, May 170.00-170.50, July 170.70-171.00.

Soyabean Oil—July 25.85-25.70 (26.32), August 24.90-25.00 (25.22), Sept. 23.95-24.00, Oct. 23.20-23.10, Dec. 22.45-22.50, Jan. 22.30, March 22.15, May 22.10-22.00, July 21.75-21.85.

Sugar—No. 11: Sept. 6.58-6.60 (6.31), Oct. 6.69-6.71 (6.1), Jan. 7.10-7.25, March 7.42-7.43, May 7.0-7.61, July 7.82, Sept. 7.96-8.00, Oct. 8.03-8.10. Sales 3,810 lots.

Tin—563.00-577.00 (572.50 nom.).

**Wheat—July 320¼-320½ (321), Sept. 325¼-325 (325¼), Dec. 331½-332, March 332, May 330, July 331.

WINNIPEG, July 11. ††Rye—July 101.70 asked (101.70), Oct. 102.50 bid (103.50), Nov. 99.90 asked, Dec. 100.80 bid, May 101.70 bid.

††Oats—July 72.40 (72.60 bid), Oct. 72.40 (72.70 asked), Dec. 72.20 bid, May 72.60 asked.

‡‡Barley—July 74.50 bid (74.50 bid), Oct. 74.30 (74.40 asked), Dec. 74.30 bid, March 74.20 bid, May 74.00 bid.

§§Flaxseed—July 250.50 (251.20), Oct. 238.50 bid (236.50 bid), Nov. 238.50 bid, Dec. 232.00 bid, May 242.00 bid.

**Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 82.73 (163.26).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $ per troy ounce for 50 oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. || New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. — Cents per 60 lb bushel in store. †† Cents per 24 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ‡‡ SC per tonne.

STOCK EXCHANGE REPORT

Unfounded financial nervousness checks rise in Gilts

Equities affected and index closes below best at 467.3

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jun. 26	July 6	July 7	July 18
July 10	July 20	July 21	Aug. 1
July 24	Aug. 3	Aug. 4	Aug. 15

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Last-minute apprehensions about the banking statistics, released in the after-hours' trading, reversed earlier firmness in British Funds and subsequently activated loose selling of the equity leaders which, at midday, seemed poised to repeat Monday's sharp advance on hopes of encouraging economic and financial pointers this week.

The main talking point in the funds soon after the opening was whether the long tap would test the authorities' assumed selling price of 45½, but the market price stopped just short of this level as a few operators closed their commitments. Further slight easiness followed the announcement of the Government's borrowing requirement for the June quarter.

Conditions then became uncertain and the two sets of figures relating to banking statistics brought confusion after-hours; the longer funds reacted noticeably, but the later announcement of a small decrease in clearing banks' eligible liabilities last month restored quotations to around the overnight list levels.

Industrial markets reacted in line with Gilt-edged and, following a slight marking down of the leaders, stock was offered more freely. Recent buyers decided to hold off with the result that a rise of 5.5 in the F.T. 30-share index at 1 p.m. was pared to only 1.8 at 467.3 at the close. Nevertheless, rises over falls in all FT-quoted industrials retained the previous day's advantage of 9-to-2, but bargains marked remained relatively low at 4,672.

Contrary to expectations and despite the confident general tone in the equity sections, the debut of Hunting Petroleum Services was a disappointment. Over-subscribed three-and-a-half times on application, Hunting opened at 91p, a premium of 6 on the issue price, but softened gradually on stag selling to close at 86p.

A routine and evenly balanced trade made no impact on rates for investment currency and the premium, after moving between 110¼ and 109¼ per cent, closed a net ¾ easier at 109¾ per cent. Yesterday's SE conversion factor was 0.6537 (0.6536).

In the second heaviest trade since dealings began in April, 925 contracts were done in Traded Options. Encouraged by the increased activity in the equity market, over 500 contracts had been recorded by midday. Grand Met eventually emerged as the most active with 162 contracts, closely followed by ICI, 140, and BP, 122.

Banks below best

Turnover in the major clearing banks improved considerably with buyers continuing to show increasing interest ahead of the interim dividend season which starts next week. Prices closed a couple of pence below the best, but sentiment in the later stages was unaffected by the latest bank lending figures. Lloyds, scheduled to be the first to announce half-yearly results, on July 21, rose 6 more to 268p, after 270p, while NatWest were also 6 dearer at the identical closing level. Irish issues found modest support and Bank of Ireland improved 15 to 350p and Allied 6 to 188p. Guinness Peat rose 6 to 238p among firm Merchant banks and firm spots among Hire Purchases included UDT, up 2 more to 41p in continuing response to Press comment. Lloyds and Scottish gained 4 to 92p.

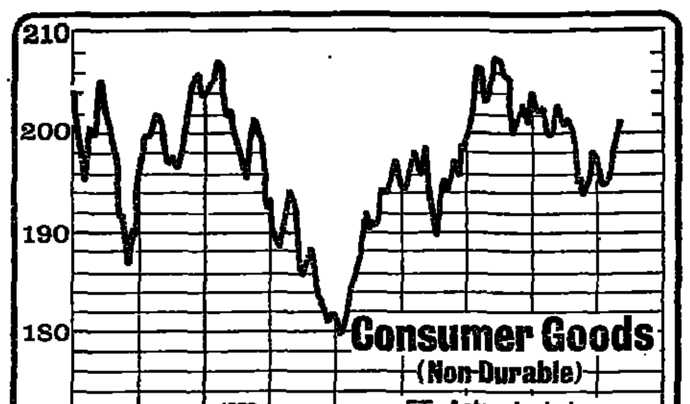
Breweries continued to attract a fair amount of attention, but final quotations showing gains of two or three pence were slightly below the best. Among secondary issues, Morland advanced 25 to 305p in an extremely thin market while, in smaller-priced issues, Buckleys improved 3 to 48p. Elsewhere, Distillers, up 2 more at 185p, made fresh progress ahead of tomorrow's annual results.

Although the general trend in Buildings was to higher levels, news items were responsible for certain dull spots. On further consideration of the trading loss and the deal with Ready Mixed Concrete, British Dredging shed 6 more to 33p for a loss of 8 since the announcements, while news of the marked deterioration in Saudi Arabian activities left Streeters of Godalming 4 lower at 22p. Small selling in thin markets left IDC 4 down at 108p and McNeil 5 lower at 40p, while profit-taking clipped 5 from Norwest Holst at 103p. In marked contrast, Marshalls (Halifax) encountered aggressive buying and put on 9 to a 1978 peak of 117p, while renewed speculative support lifted Brown and Jackson 6 to 135p. Awaiting today's interim results, Countryside firmed 3 to 43p.

In a steady trade, ICI and Fisons but improved a couple of pence to 372p and 369p respectively. Coates Brothers were notably firm at 71p, up 4 and, ahead of today's annual results, Allied Colloids held a modest improvement at 73p.

Ratners disappoint

Leading Stores were more subdued yesterday after the previous day's buoyancy, although a firm tone prevailed. Press comment drew buyer's attention to Marks and Spencer which touched 152p before closing 3 better on balance at 150p, while UDS hardened 2 to 94p in response to the chairman's remarks at the annual general meeting. Elsewhere, Dixons Photographic were popular at 138p, up 10, and improvements of 6 were seen in Lee Cooper, 116p, and Status Discount, 178p. By way of contrast, Ratners cheapened 4 to 69p on disappointment with the annual results. W. L. Pawson were suspended at 42p pending reorganisation particulars. Among Shoes, K, 66p, and Ward White, 82p, rose 4 and 3 respectively.



Thorn Electrical improved a few pence further to 352p in the earlier dealings before gradually easing back to settle at 348p for a loss of 2 on balance. Other Electrical leaders followed a similar trend, with EMI, 135p, and GEC, 268p, closing 2 and 3 lower respectively. In contrast, selective support produced some useful gains in secondary issues. Automated Security put on 5 to 80p and Ever Ready 6 to 160p, while Cableform closed 3 dearer at 79p. Renewed buying in a limited market left Electrocomponents 8 to the good at 473p.

Some firm features emerged among secondary Engineerings. The proposed 100 per cent scrip-issue helped Rotork to close 7 up at 137p, after 140p, while Crown House rose 6 to 65p on further consideration of the results and planned dividend boost. Staveley Industries, at 282p, recorded a Press-inspired rise of 8, while Howden firmed 3 to 62p for a similar reason. Renewed speculative interest lifted Mining Supplies 6 to 87p and APV were also 6 dearer, at 212p. Reflecting disappointment with the Board's decision not to form a joint boiler-making company with Babcock and Wilcox, Northern Engineering cheapened 4 to 104p. Of the leaders, John Brown added 4 more at 392p, after 394p.

Interest in the Food sector broadened considerably and some fairly useful gains were recorded throughout the list. Demand in a market none too well supplied with stock left Hilliards 15 to the good at 222p, while Associated Dairies firmed 6 more to 234p and Sainsbury 5 further to 205p. J. Lyons continued the recent recovery movement with a fresh rise of 2 to 89p. Spillers also found support and put on a similar amount to 31½p. Hotels were again favoured. A lively business developed in Trust Houses Forte, which touched 223p before settling at 221p for a rise of 5 on balance.

Pilkington firm

Miscellaneous Industrial leaders closed well below the best in places. Investment buying ahead of publication of the annual report helped Pilkington touch 547p before a close of 15 higher on balance at 543p, while Reckitt and Colman were also well supported at 479p, up 9, after 482p. Unilever added 6 to 532p and Turner and Newall put on 5 to 178p but Boots closed only a penny dearer at 203p, after 207p, and Beecham ended unaltered at 655p, after 663p. Glaxo reacted from 573p to close 3 easier on balance at 565p. Elsewhere, Wilkinson Match rose 10 to 171p on the better-than-expected results and Donald Macpherson improved 3½ to 69p, after 70p, following interim profits which exceeded expectations. R. Kelvin Watson improved 3 to 68p, also after trading news, and I.C. Gas firmed 6 to 393p on the annual report. Buying ahead of Friday's half-yearly figures left Gestetner A 7 dearer at 200p, while fresh speculative interest prompted gains of 6 in De La Rue, 358p, and Letraset, 143p.

The recent figures showing a continuing boom in car sales again benefited Garages and Distributors. Appleyard Group moved up 4 to 94p, while H. Perry rose afresh to 108p before settling at 107p for a gain of 2 on the day. Alexanders put on 1½ to 19½p and BSG International gained 1½ more to 43½p. ERF continued firmly at 107p, up 2, awaiting today's preliminary figures.

Reflecting North Sea oil interests, Daily Mail A improved 12 to 312p. Elsewhere, small persistent demand lifted A. C. Black 6 to 113p and further speculative support left Websters Publications 2 higher at a 1978 peak of 56½p.

In quietly firm Properties, MEPC added a couple of pence to 123p and Stock Conversion 6 to 220p. Selected secondary issues to command further attention included Scottish Metropolitan, 109, and Allnatt, 300p, up by 5 and 4 respectively, while country buying following the annual report left Bradford 9 up at 232p. Speculative support lifted Bernard Sunley 6 to 220p and demand in a thin market prompted an improvement of 3½ to 38p in R. Green. Also in restricted markets, Municipal Properties and House Property of London both held rises of 10 at 235p and 143p respectively. County and District firmed 2 to 86p and, awaiting today's annual results, Daejan finished similarly higher at 94p.

In active trading, British Petroleum remained prominent in Oils and closed 30 higher at the day's best of 874p for a rise of 42 following the reported major oil discovery off the Shetlands. In considerably quieter conditions, Shell finished at the overnight level of 570p after initial progress to 575p. Elsewhere, Ultramar firmed 4 to 236p, while similar improvements were seen in Lasmo, 142p, and the 'Ops,' 320p.

Trusts again found favour and gains were fairly numerous. Investment Trust Corporation rose 5 to 266p while, in capital issues, Triplevest stood out with a rise of 6 to 142p.

Scattered gains in Overseas Traders included S. and W. Berisford, which put on 4 more to 146p ahead of next Thursday's interim results.

Courtaulds followed in the wake of the other leaders, closing a penny dearer at 118p, after 120p. Elsewhere in a quieter Textile sector, Textured Jersey, a good market of late, eased back a penny to 30p following the good annual results and encouraging statement on current trading. Scattered demand left J. Haggas 3 to the good at 113p, while favourable Press mention prompted a small improvement to 57p in Carpets International.

Tobaccos continued firmly, with Rothmans noteworthy for a fresh rise of 2½p to 55½p. BAT Industries rose 7 to 312p and the Deferred 5 to 260p.

Rubbers made fresh scattered improvements, but Guthrie encountered profit-taking after the recent speculative advance and eased 10 to 365p.

Golds up again

Optimism over the forthcoming June quarterly reports—the first from the Gold Fields group, are published today—prompted a persistent, though modest, demand for Gold shares despite the $1.25 decline in the bullion price to $185.625 per ounce.

The gold Mines index rose 1.3 more to 159.5.

In the lower-priced issues, Venterspost closed 5 firmer at 226p in front of the sharply increased profits for the past quarter.

South African Financials tended to move ahead in quiet trading. "Johnnies" closed ½ up at £13¾ and "Amgold" ½ better at £17½. "Amcoal" hardened 15 to 590p.

On the other hand, profit-taking left De Beers 5 cheaper at 379p following publication of the half-year CSO sales figure.

London-registered Financials closed barely changed on balance after moving ahead intially in line with UK equities. Platinums were unmoved by news that Impala had lifted its producer price to $240—in line with that of Rustenburg.

Australians gained ground across a broad front led by Broken Hill Proprietary, which improved further on talk of a natural gas strike in the Bass Strait.

The participants in the Ashton diamond venture attracted a good deal of attention following rumours that a progress report is imminent. Northern Mining were active but finally unchanged at 110p while the majority holder Conzinc Riotinto advanced 6 to 240p. Tins continued to edge forward in subdued trading.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	61	11
Corpns., Dom. and Foreign Bonds	13	—	51
Industrials	572	123	844
Financial and Prop.	289	28	281
Oils	17	3	14
Plantations	9	4	19
Mines	66	14	46
Recent Issues	10	5	24
Totals	981	238	1,120

FINANCIAL TIMES STOCK INDICES

	July 11	July 10	July 7	July 6	July 5	July 4	A year ago
Government Secs.	70.11	70.26	69.71	69.44	69.02	69.30	67.4:
Fixed Interest	71.82	71.59	71.27	71.28	70.98	71.35	68.0
Industrial Ordinary	467.3	465.5	456.6	452.1	458.0	463.1	446.1
Gold Mines	159.5	158.2	157.2	159.6	161.8	160.4	116.1
Ord. Div. Yield	5.66	5.69	5.82	5.86	5.84	5.83	5.3:
Earnings Y'ld%(full)(*)	17.15	17.27	17.64	17.74	17.72	17.69	15.9
P/E Ratio (net)(*†)	7.75	7.70	7.54	7.49	7.50	7.51	9.0
Dealings marked	4,672	4,834	4,248	4,193	4,578	4,890	4,60
Equity turnover £m	—	80.19	71.27	60.91	57.81	47.97	50.9
Equity bargains total	—	19,844	15,352	12,948	11,948	11,538	15,21

10 am 468.2. 11 am 467.6. Noon 469.7. 1 pm 471.0.
2 pm 470.1. 3 pm 466.6.
Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil=7.58.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	68.79 (5/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.3 (6/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (8/3)	130.3 (6/1)	442.3 (22/6/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 11	July 10
—Daily		
Gilt-Edged	170.3	183.0
Industries	158.0	162.4
Speculative	37.0	34.8
Totals	106.5	110.0
5-day Av'rage		
Gilt-Edged	156.2	154.9
Industrials	163.7	156.1
Speculative	35.7	35.0
Totals	102.5	103.6

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 4	July 17	Sep. 28	Oct. 10
July 18	July 31	Oct. 12	Oct. 24
Aug. 1	Aug. 14	Oct. 26	Nov. 7

For rate indications see end of Share Information Service

Money was given for the call of Burmah Oil, Wm. Press, Weir Group, Tricentrol, Consolidated Plantations Warrants, Y[illegible] Catto, Ladbroke Warran[ts], British Petroleum, Queens Mo[at] Houses, National Carbonisi[ng], Culleus Stores "A", Lonrh[o], Silvermines, Consolidated Go[ld] Fields and Barratt Developmen[ts]. No puts were reported, b[ut] double options were arranged [in] Shell Transport, Queens Moa[t] Houses and Consolidated Plan[ta]tions Warrants.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (170)

BANKS (1)
BEERS (3)
BUILDINGS (9)
CHEMICALS (3)
CINEMAS (1)
DRAPERY AND STORES (10)
ELECTRICALS (3)
ENGINEERING (11)
FOODS (3)
HOTELS (2)
INDUSTRIALS (19)
MOTORS (3)
NEWSPAPERS (3)
PAPER AND PRINTING (1)
PROPERTY (1)
SHOES (2)
SOUTH AFRICANS (1)
TEXTILES (5)
TRUSTS (76)
OVERSEAS TRADERS (4)
RUBBERS (2)
TEAS (2)
MINES (5)

NEW LOWS (6)

BUILDINGS (1)
Streeters of Godalming
FOODS (2)
England (J.E.) Tavener Rutledge
SHIPPING (1)
Reardon Smith A
TEXTILES (1)
Levex
TRUSTS (1)
Akroyd and Smithers

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BP	£1	16	874	+30	892	720
ICI	£1	14	372	+ 2	396	328
Shell Transport	25p	11	570	—	586	484
Hunting Petrolm.	25p	9	86	—	91	85
BATs Defd.	25p	8	260	+ 5	298	227
Guthrie Corp.	£1	8	365	−10	375	211
Marks & Spencer	25p	8	150	+ 3	160	135
Turner & Newall	£1	8	178	+ 5	209	166
Allied Breweries	25p	7	84½	+ 1	94	78
Grand Met.	50p	7	107	—	117½	87
Lucas Inds.	£1	7	300	− 1	318	240
NatWest	£1	7	268	+ 6	298	250
Barclays Bank	£1	6	315	+ 2	358	296
Beecham	25p	6	655	—	678	583
Boots	25p	6	203	+ 1	231	184

LONDON TRADED OPTIONS

Option	Exercise price	July Closing offer	July Vol.	October Closing offer	October Vol.	January Closing offer	January Vol.	Equity close
BP	750	120	7	137	—	156	—	865p
BP	800	70	12	88	2	115	—	"
BP	850	21	27	55	10	81	2	"
BP	900	3	33	23	18	54	11	"
Com. Union	140	7	—	14	—	17	—	147p
Com. Union	160	¾	—	6	—	9½	—	"
Cons. Gold	160	21	19	29	—	31	—	181p
Cons. Gold	180	3¼	22	13	20	19	3	"
Courtaulds	100	20	26	23½	5	25½	—	119p
Courtaulds	110	10	—	15½	—	17	4	"
Courtaulds	120	3	5	9	11	12½	—	"
Courtaulds	130	1	—	5	6	8	—	"
GEC	220	50	—	54	1	61	—	268p
GEC	240	30	—	38	9	46	—	"
GEC	260	10½	31	23½	15	34	—	"
GEC	280	1½	3	13½	15	22½	10	"
Grand Met.	100	7	70	12½	12	16	4	107p
Grand Met.	110	1¼	14	7	—	11¼	13	"
Grand Met.	120	½	—	3½	9	7½	40	"
ICI	330	42	64	50	8	64	5	371p
ICI	360	12½	17	25	27	34	3	"
ICI	390	1½	—	10½	11	21	—	"
ICI	420	¼	—	5	15	11½	—	"
Land Secs.	180	32	22	36	—	40	7	212p
Land Secs.	200	12	—	17½	16	23½	2	"
Land Secs.	220	1	8	7	33	12	2	"
Marks & Sp.	120	30½	5	35	—	37	11	150p
Marks & Sp.	140	10½	33	17	11	21	23	"
Marks & Sp.	160	1	6	7	10	11	7	"
Shell	500	69	10	80	4	89	—	568p
Shell	550	19	35	39	8	52	1	"
Shell	600	¾	—	15	35	27	5	"
Totals			461		311		153	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
76	F.P.	30/6	92	85	Bramall (C.D.)	85	......	4.5	3.1	8.0	4.5
100	F.P.	5/7	169	142	Burntherm	167	+2	2.64	3.0	2.4	15.9
85	—	—	91	85	Hunting Petr. Services	86	......	4.65	3.0	8.2	6.1
434	F.P.	—	37	35	Thames Plywood	35	......	2.0	2.3	8.7	7.6

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −
**	F.P.	28/7	90p	88p	Allied Leather 9% Pref	89p	+1
**	F.P.	—	94½	93	Allied Retailers 9¾% Pref.	93	−1½
98	£50	22/9	51	46	Barnet 12% Red. 1987	51	......
£99.4	F.P.	—	99⅛	99⅛	Birmingham Var Rate 83-85	99⅛	+⅛
‡	F.P.	7/8	22	8¼	Crellon 12% Conv. Prfd. 1979—83 10p	17	+1
‡	£10	—	£107⅛	£103¼	East Anglia Water 7% Red. Pref. 1983	£103¼	......
100p	F.P.	16/6	104p	101p	Ecclesiastical Ins.Office10%Red 2ndCumPref	101½p	......
£100	F.P.	—	100⅛	99⅝	Edinburgh (City of) Var. Rate 1985	99¾	......
‡‡£97.55	F.P.	28/7	98½	97¾	Essex Water 7% Red. Pref. 1983	98½	......
‖	£25	25/8	28¼	23½	Fairview Ests. 10.25% Deb	24	+¼
**	F.P.	21/7	98½p	97p	J B Holdings 10% Pref	98p	......
**	F.P.	21/7	104½	101½p	Miller (F.) 11% Pref	101½p	......
**	F.P.	—	96	95¾	More O'Ferrall 10% 2nd Cum. Pref.	96	......
109	F.P.	21/7	109p	109p	Rotork Bros 11% Pref.	109p	......
99¾	F.P.	—	100	99¾	Sefton Var. Rate Red. 1983	99¾	......
£98¼	£10	20/10	9¼	8	Southend-on-Sea 12% Red. 1987	8	−¼
£99	£10	21/7	10½	9	South Tyneside 12½% Red. 1986	10	−¼
£98¾	£50	1/9	50½	47¾	Tyne & Wear 12% Red. 1986	49	−¼
£98¾	£25	15/9	25½	24	West Kent Water 12% Deb. 1986	24½	......

"RIGHTS" OFFERS

Issue Price p‡	Amount Paid Up	Latest Renunc. Date		1978 High	1978 Low	Stock	Closing Price p‡	+ or −
$A2.75	Nil	—	—	36pm	25pm	ANZ	25pm	......
5	Nil	—	—	4	3½	Bridgend Processes	4	......
45	F.P.	7/7	18/8	58	54	British Tar Products	56½	+2½
28	Nil	18/7	18/8	5pm	3½pm	Brooke Tool Eng.	3½pm	......
15	Nil	—	—	4½pm	4pm	Dartmouth Invs.	3½pm	......
14½	Nil	—	—	5pm	2pm	Elswick-Hopper	5pm	+1
82	F.P.	7/7	18/8	104	93	Hartwells	96	+1
56	Nil	—	—	11	10	Heslam Sims & Coggins	11	......
105	Nil	14/7	4/8	17pm	1pm	Henlys	16½pm	−½
29	Nil	3/7	28/7	42pm	32pm	Hyman (I. & G.)	40½	......
150	Nil	14/7	4/8	21pm	14pm	Leigh Interests	17pm	+2
25	Nil	—	—	2½pm	2pm	Levex	2pm	......
92	F.P.	7/7	28/7	112	102	Sketchley	110	+½
95	Nil	17/7	25/8	24pm	19pm	Securicor Group	19pm	......
95	Nil	17/7	25/8	22pm	16pm	Do. A. N/V	17pm	......
95	Nil	17/7	25/8	25pm	12pm	Security Services	12pm	......
95	Nil	17/7	25/8	24pm	12pm	Do. A. N/V	12pm	......
30	Nil	—	—	26	26	Sutcliffe Speakman	26	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. a Forecast dividend; cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. u Gross. t Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☐ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., July 11, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net) Corp. Tax 52%	Mon. July 10 Index No.	Fri. July 7 Index No.	Thurs. July 6 Index No.	Wed. July 5 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	213.61	+0.6	17.73	5.69	7.83	212.44	208.66	207.62	207.28	180.99
2	Building Materials (28)	190.66	+1.4	18.19	5.76	7.75	188.03	185.26	185.28	185.14	150.68
3	Contracting, Construction (27)	339.00	+0.7	20.57	4.05	7.07	336.74	331.94	332.11	333.17	244.62
4	Electricals (15)	463.15	—	14.85	4.01	9.54	463.15	451.61	443.63	444.45	362.53
5	Engineering Contractors (14)	320.58	+0.2	18.71	6.37	7.11	319.91	311.99	310.05	307.14	261.20
6	Mechanical Engineering (72)	170.98	+0.5	18.85	6.28	7.17	170.08	167.32	167.31	166.15	162.81
8	Metals and Metal Forming (16)	160.62	+0.6	17.85	8.77	7.63	159.67	157.95	157.85	158.08	149.11
	CONSUMER GOODS										
11	(DURABLE) (52)	196.98	+0.3	17.57	5.31	8.00	196.45	193.15	190.14	189.71	171.29
12	Lt. Electronics, Radio TV (15)	234.70	+0.2	16.00	4.35	8.83	234.17	229.60	222.58	221.72	198.50
13	Household Goods (12)	175.24	+0.2	16.67	6.44	8.29	174.85	174.17	174.55	174.15	161.10
14	Motors and Distributors (25)	122.64	+0.3	20.21	6.53	6.95	122.22	120.31	120.73	120.74	109.79
	CONSUMER GOODS										
21	(NON-DURABLE) (174)	201.66	+1.2	15.97	5.93	8.50	199.31	195.32	194.87	194.86	165.57
22	Breweries (14)	222.87	+1.6	15.31	6.10	9.30	219.26	215.78	215.26	216.42	174.75
23	Wines and Spirits (6)	261.83	+1.2	15.50	5.52	9.79	258.83	251.68	249.39	248.18	186.54
24	Entertainment, Catering (17)	251.98	+0.6	15.62	6.88	9.37	250.37	244.65	242.41	242.44	209.61
25	Food Manufacturing (21)	196.13	+1.3	19.26	5.67	6.86	193.61	189.79	190.45	190.01	170.78
26	Food Retailing (15)	207.44	+1.7	14.09	4.91	9.80	204.04	199.51	199.00	198.43	172.38
32	Newspapers, Publishing (13)	399.25	+0.2	10.01	3.14	14.26	398.41	396.39	393.30	396.42	301.50
33	Packaging and Paper (15)	133.93	+1.5	19.62	7.92	6.73	131.97	130.29	130.08	130.40	120.48
34	Stores (39)	183.92	+0.9	11.46	4.81	12.79	182.35	177.22	177.24	177.01	144.98
35	Textiles (25)	175.60	+1.3	18.85	7.89	6.90	173.39	170.19	169.16	169.41	164.75
36	Tobaccos (3)	241.01	+1.7	22.77	7.77	5.26	237.04	234.79	233.72	233.72	201.41
37	Toys and Games (6)	108.02	+0.5	18.82	5.78	6.49	107.50	106.67	107.39	106.73	98.56
41	OTHER GROUPS (97)	195.73	+0.9	16.40	5.85	7.98	194.08	190.67	190.40	190.76	179.21
42	Chemicals (19)	279.21	+0.6	17.73	6.26	7.66	277.62	272.37	271.34	273.30	253.87
43	Pharmaceutical Products (7)	257.59	+0.3	11.22	3.98	11.09	256.88	252.21	252.15	252.41	0.00
44	Office Equipment (6)	130.65	+1.1	18.34	4.97	6.45	129.19	127.07	127.23	127.31	100.37
45	Shipping (10)	405.44	+0.4	17.87	7.55	6.89	403.73	397.47	396.09	396.62	484.82
46	Miscellaneous (55)	203.27	+1.6	17.63	6.49	7.56	200.09	196.85	196.91	196.27	174.27
49	INDUSTRIAL GROUP (495)	209.65	+0.9	16.62	5.81	8.16	207.82	203.95	203.20	203.17	179.30
51	Oils (5)	499.76	+1.8	14.77	3.95	7.34	491.01	480.38	473.77	479.08	508.40
59	500 SHARE INDEX	233.60	+1.0	16.33	5.52	8.02	231.24	226.82	225.64	226.00	205.73
61	FINANCIAL GROUP (100)	160.88	+0.8	—	5.89	—	159.59	155.67	154.83	154.47	136.25
62	Banks (6)	183.84	+1.6	25.74	6.10	5.88	181.02	177.18	175.62	174.15	154.63
63	Discount Houses (10)	203.34	+1.3	—	8.51	—	200.83	200.11	200.31	197.65	175.37
64	Hire Purchase (5)	147.33	+3.7	13.26	5.57	11.16	142.08	139.45	136.65	137.67	131.80
65	Insurance (Life) (10)	133.31	+0.6	—	6.83	—	132.50	128.13	126.88	126.74	104.92
66	Insurance (Composite) (7)	122.34	−0.1	—	6.97	—	122.42	118.25	118.34	118.87	110.08
67	Insurance Brokers (10)	335.67	+0.6	14.02	4.67	10.21	333.61	324.91	322.13	320.48	293.98
68	Merchant Banks (14)	77.71	+1.6	—	6.30	—	76.50	76.33	75.97	75.34	65.53
69	Property (31)	232.46	+1.1	3.55	3.20	48.45	230.03	224.88	223.86	223.40	186.04
70	Miscellaneous (7)	104.50	−1.1	24.30	8.00	5.35	105.61	105.49	104.92	105.16	88.31
71	Investment Trusts (50)	218.53	+1.0	3.17	4.65	31.51	216.29	212.59	211.23	210.26	171.39
81	Mining Finance (4)	100.52	+0.2	17.55	6.92	6.94	100.30	97.43	97.05	97.71	89.56
91	Overseas Traders (19)	317.46	+1.0	16.51	6.72	7.44	314.18	308.40	308.16	306.67	270.06
99	ALL-SHARE INDEX (673)	215.26	+1.0	—	5.59	—	213.19	208.91	207.83	207.96	187.28

FIXED INTEREST PRICE INDICES

	British Government	Tues. July 11	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	104.58	−0.14	—	4.81
2	5-15 years	114.11	−0.29	—	5.95
3	Over 15 years	120.37	−0.27	—	7.02
4	Irredeemables	125.10	+0.33	—	7.24
5	All stocks	112.49	−0.21	—	5.87

FIXED INTEREST YIELDS — Br. Govt. Av. Gross Red.

			Tues. July 11	Mon. July 10	Year ago (approx.)
1	Low Coupons	5 years	8.82	8.77	7.69
2		15 years	10.99	10.94	11.46
3		25 years	11.69	11.66	12.46
4	Medium Coupons	5 years	11.59	11.45	10.54
5		15 years	12.22	12.16	12.33
6		25 years	12.28	12.28	12.95
7	High Coupons	5 years	11.73	11.65	11.39
8		15 years	12.68	12.64	13.46
9		25 years	13.00	12.96	13.64
10	Irredeemables		11.74	11.78	12.66

		Tuesday, July 11 Index No.	Tuesday, July 11 Yield %	Mon. July 10	Friday July 7	Thurs. July 6	Wed. July 5	Tues. July 4	Mon. July 3	Friday June 30	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	56.78	†13.07	56.72	56.72	56.64	56.64	56.37	57.16	57.21	65.88
16	Investment Trust Prefs. (15)	51.59	13.72	51.59	51.64	51.63	51.63	51.05	51.05	51.01	61.31
17	Coml. and Indl. Prefs. (20)	70.13	13.20	70.20	70.14	70.14	70.24	70.62	70.48	70.56	69.17

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. Ltd. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Capital	32.8	34.9	+0.5	4.19
Abbey Income	39.1	41.6	+0.5	5.80
Abbey Inv. Tst. Fd.	36.8	39.2	+0.3	4.17
Abbey Gen. Tst	45.5	48.4	+0.7	4.06

Allied Hambro Group♥ (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	65.4	69.9	+0.8	5.44
Brit. Inds. Fund	62.2	66.5	+1.0	5.62
Grth. & Inc.	36.3	39.4	+0.5	5.33
Elect. & Ind. Dev.	33.2	35.5	+0.5	4.99
Allied Capital	71.6	76.6	+0.9	4.66
Hambro Fund	103.5	110.7	+1.2	5.15
Hambro Acc. Fd.	118.7	127.0	+1.9	4.54
Income Funds				
High Yield Fd.	70.0	74.9	+0.6	8.17
High Income	64.6	69.1	+0.9	6.73
A.H. Eq. Inc.	37.7	40.3	+0.5	7.20
International Funds				
International	26.5	28.4	.....	2.99
Pacific Fund	46.6	49.9	.....	2.00
Secs. Of America	53.4	57.1	+0.4	2.01
U.S.A. Exempt	95.6	100.7	+0.7	1.49
Specialist Funds				
Smaller Co.'s Fd.	35.7	38.2	+0.4	4.84
2nd Smlr. Co's Fd.	43.8	46.9	+0.3	5.07
Recovery Sits.	84.4	90.3	+0.9	5.98
Met. Min. & C'dty.	41.0	43.8	+0.6	5.23
Overseas Earnings	57.4	61.4	+0.8	4.72
Expt. Smlr. Co's	220.0	231.6	+2.7	5.28

Andersen Unit Trust Managers Ltd.

OFFSHORE AND OVERSEAS FUNDS

PO Box R237, 56. Pitt St. Sydney, Aust.

Javelin Equity Tst.	$A2.05	2.16	.....	—

J.E.T. Managers (Jersey) Ltd.
PO Box 194, Royal Tst. Hse., Jersey 0534 27441

Jersey Extrnl. Tst.	174.0	185.0	.....	—

As at June 30. Next sub. day July 31.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	$HK299.44	.....	2.50
Jardine J'pn. Fd.*	$HK353.28	.....	1.00
Jardine S.E.A.	$US16.79	.....	1.60
Jardine Flem. Int.	$HK10.55	.....	—
Intl. Pacific Secs.	$HK12.67	.....	—

NAV June 30. *Equivalent $US75.97. Next sub. July 14.

Keyselex Mngt., Jersey Ltd.
PO Box 98, St. Helier, Jersey. (Eng. 01-606 7070)

Fonselex	Frs1388	1,528	.....	2.60
Bondselex	Frs11938	125.61	+0.75	—
Keyselex Int'l	£6.64	7.46	−0.19	—
Keyselex Europe	£3.89	4.41	.....	3.74
Japan Gth. Fund	$US27.07	28.13	.....	—
Keyselex Japan	£14.38	15.68	.....	—
Cent. Assets Cap.		£134.41	+0.03	.....

U.I.B. Fund	$US109.91	115.14	.....	8.06

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg.

U.S. Tst. Inv. Fnd.	$10.42	+0.07	0.96

Net asset July 10.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv. Bd. July 10	$US9.60	+0.05	—
Engy. Int. July 10	$US17.49	+0.03	—
Gr. St. $Fd. June 30	$US7.08	.....	—
Merc. Ebd. Fd. July 5	$US10.37 10.63	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. June 29	$US12.35	12.67	.....	—
CMT Ltd. June 29	£12.77	13.10	.....	—
Metals Tst. June 16	£12.17	12.47	.....	—
TMT June 8	$US10.57	10.85	.....	—
TMT Ltd. June 8	£10.68	10.96	.....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.

Worldwide Gth. Fd.	$US15.28	+0.37	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 466-471

INSURANCE BASE RATES

† Property Growth 10½%
† Vanbrugh Guaranteed 9.50%
† Address shown under Insurance and Property Bond Table.

BUILDING SOCIETY INTEREST RATES

…ENWICH
…Greenwich High Road, …nwich, SE10 8NL.
…posit Rate 6.45%, Share Accounts … Sub'pn. Shares 7.95%, Term …es 2 yrs. 1% above share rate. 3 yrs. … above share rate. Interest paid …rterly on shares/term shares. …nthly Income shares 6.80%.

LONDON GOLDHAWK
(01-995 8321)
15/17 Chiswick High Road, London W4 2NG.
Deposit Rate 6.45, Share Accounts 6.95, Sub'pn. Shares 8.20.

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U.S. $ & DM prices exclude inv. $ premium

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Over Fifteen Years

Undated

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LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	1978 Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
23	17	Antofagasta Rly	23	.....	—	—
38	33	Do. 5pc Pref.	38	.....	—	—
98	98	Chilean Mixed	98xd	.....	—	13.10
415	350	German Ync. 4½pc.	405xd	.....	4½	—
54	46	Greek 7pc Ass.	54	.....	3½	f6.48
51	46	Do. 6pc 28 Stab. Ass.	51	.....	6	f6.00
44	40	Do. 4pc Mixed Ass.	43xd	.....	4	f4.65
55	42	Hung. '24 Ass.	55	.....	4½	5.00
77	65	Iceland 6½pc '83-88	65xd	.....	—	12.60

AMERICANS

S.E. List Premium 52¼% (based on US$1.8853 per £)
Conversion factor 0.6567 (0.6556)

CANADIANS

S.E. List Premium 52¼% (based on $2.1128 per £)

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FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
210	155	Falcon Rh 50c	175	......	Q50c	1.3	24.4
24	15	Rhod'n Corp 16½p	16	......	0.56	7.1	5.3
80	52	Roan Cons. K4	70	......	—	—	—
175	122	Tanganyika 50p	156	+1	Q10.0	1.2	6.4
90	78	Do. Pref. 80p	87	......	Q9%	16.3	8.3
41	32	Wankie Col. Rh.1	35	......	†Q7½c	1.4	18.3
16½	10	Zam Cpr. SBD0.24	14½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
15	10	Acmex 25c	13	......	—	—	—
132	64	Bougainville 50 Toea	120	+2	Q8c	1.4	4.2
125	63	BH South 50c	114	+3	—	—	—
820	150	Central Pacific	575	+50	—	—	—
245	148	Conzinc Riotinto 50c	240	+6	Q10c	2.2	2.6
72	45	G.M. Kalgoorlie $1	48	+2	—	—	—
140	81	Hampton Areas 5p	134xd	......	t3.5	2.0	4.0
40	10	Metals Ex. 50c	28	......	—	—	—
220	125	M.I.M. Hldgs. 50c	197	+1	Q9c	1.7	2.8
39	10	Mount Lyell 25c	26	+2	—	—	—
6½	1½	Newmetal 10c	4¾	......	—	—	—
143	79	North B. Hill 50c	123	+1	Q8c	1.5	4.0
16	8½	Nth. Kalgurli	13½	......	—	—	—
178	117	Oakbridge $A1	165	+4	†Q11c	1.9	4.2
50	30	Pacific Copper	46	......	—	—	—
£14¾	750	Pancont'l 25c	£13	......	—	—	—
40	12	Paringa M&Ex. 5c	36	—1½	—	—	—
538	310	Peko-Wallsend 50c	518	......	Q15c	4.9	1.8
300	50	Southern Pacific	215	+5	—	—	—
160	84	Westn. Mining 50c	147	+1	‡Q6c	1.4	‡
70	35	Whim Creek 20c	55	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
30	24	Amal. Nigeria	25	......	†2.51	1.6	15.2
400	240	Ayer Hitam $M1	400	+10	‡Q[illegible]	0.9	‡
60	45	Beralt Tin	53	......	3.75	4.4	11.3
300	200	Berjuntai $M1	300	......	‡Q110c	ϕ	‡
145	111	Geevor	132	—3	h4.51	3.4	5.2
10	8½	Gold & Base 12½p	9½	......	—	—	—
300	220	Gopeng Cons.	300	......	15.0	0.9	7.7
165	130	Hongkong	160	......	—	—	—
93	78	Idris 10p	85	......	12.0	1.6	22.6
11	10	Jantar 12½p	10	......	—	—	—
77	68	Kamunting $M0.50	77	......	ZQ15.5c	0.7	4.3
510	450	Killinghall	460xd	......	Q125	ϕ	27.2
415	280	Malay Dredging $M1	415	......	†Q95c	0.8	4.9
73	40	♦Pahang	73	......	‡Q3.75c	0.5	‡
62	50	Pengkalen 10p	61	......	6.5	1.3	16.1
225	165	Petaling $M1	225	......	†Q80c	1.6	8.2
61	49	Saint Piran	49	......	g1.99	4.6	6.2
61	47	South Crofty 10p	53xd	—2	4.13	2.0	11.5
220	140	South Kinta $M0.50	220	+5	tQ77.8c	1.4	7.6
330	230	Sthn Malayan $M1	330	+10	tQ131.5c	1.1	8.6
228	134	Sungei Besi $M1	228	......	Q65c	ϕ	6.1
78	55	Supreme Corp. $M1	78	......	ZQ10c	—	2.8
100	85	Tanjong 15p	92	......	6.5	0.8	10.7
100	74	Tongkah Hrbr. $M1	92	......	‡Q[illegible]	1.6	‡
233	148	Tronoh $M1	233	+8	ZQ98c	1.6	8.1

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
100	70	Messina R0.50	86	+2	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
61	35	Barymin	52½	+1	—	—	—
17	9	Burma Mines 17½p	14	......	—	—	—
300	220	Cons. Murch. 10c	255	—5	‡Q30c	2.6	‡
465	245	Northgate C$1	425	+15	—	—	—
234	164	R.T.Z.	222	......	9.5	2.8	6.5
90	30	Sabina Inds. C$1	64	—2	—	—	—
£12	750	Tara Exptn. $1	875	......	—	—	—
45	43	Tehidy Minerals 10p	43	......	1.33	ϕ	4.7
180	120	Yukon Cons. C$1	166	......	Q7c	2.9	2.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ● Same interim, reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- + Regional price.
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	24	......
Ash Spinning	44	+3
Bertam	21	......
Bdg'wtr. Est. 50p	267	......
Clover Croft	26	......
Craig & Rose £1	475	......
Dyson (R. A.) A	38	......
Ellis & McHdy.	61	......
Evered	17½	......
Fife Forge	50	......
Finlay Pkg. 5p	23½	......
Graig Ship. £1	140	......
Higsons Brew	73	......
I.O.M. Stm. £1	150	......
Holt (Jos.) 25p	260	......
N'thn. Goldsmith	55	......
Pearce (C. H.)	180	+15
Peel Mills	20	......
Sheffield Brick	45	......
Shell. Refrshmt.	52	......
Sindall (Wm.)	103	......

IRISH

Conv. 9% '80/82	£90¼	+⅛
Alliance Gas	70	......
Arnott	337	......
Carroll (P.J.)	96	......
Clondalkin	98	......
Concrete Prods.	150	......
Heiton (Hldgs.)	40	......
Ins. Corp.	148	......
Irish Ropes	130	......
Jacob	62	......
Sunbeam	30	......
T.M.G.	173	+3
Unidare	90	......

OPTIONS
3-month Call Rates

Industrials

A. Brew	6½	I.C.I.	20	Tube Invest.	30
A.P. Cement	18	"Imps"	6	Unilever	35
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	11	Inveresk	8	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	35	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	3¾
Bowaters	16	Lex Service	7	Cap. Counties	4½
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	6	"Lots"	4	Intereuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	16
Burton 'A'	12	Lonrho	5	MEPC	12
Cadburys	5	Lucas Inds.	25	Peachey	8
Courtaulds	10	Lyons (J.)	10	Samuel Props.	9
Debenhams	8	"Mams"	7	Town & City	1¼
Distillers	15	Mrks. & Spncr	10	**Oils**	
Dunlop	7	Midland Bank	25	Brit. Petroleum	45
Eagle Star	11	N.E.I.	12	Burmah Oil	5
E.M.I.	14	Nat. West Bank	22	Charterhall	3
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P & O Dfd.	8	Ultramar	20
Glaxo	40	Plessey	8	**Mines**	
Grand Met.	9	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	20	Rank Org. 'A'	18	Cons. Gold	14
Guardian	18	Reed Intnl.	12	Rio T. Zinc	16
G.K.N.	22	Spillers	3		
Hawker Sidd.	28	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Wednesday July 12 1978

Britain's share of offshore industry orders up

By Ray Perman, Scottish Correspondent

BRITISH-BASED COMPANIES again increased their share of orders from the oil industry in 1977 and look likely to make further gains this year.

Figures published yesterday by the Offshore Supplies Office, in Glasgow, showed that UK concerns took 62 per cent of contracts last year compared to 57 per cent in 1976.

This confirms the steady improvement in British performance in this important market in spite of the strong foreign competition.

The total value of orders was worth at least £1.3bn last year—a quarter up on 1976—and UK industry's share was £806m.

Britain's share this year could be higher. All three of the production platform contracts awarded so far have been won by British yards, which are also well placed to tender for the four further orders expected by the Department of Energy in the next 18 months.

The Government is also anxious that shipyards in the UK should win the lion's share of orders for emergency vessels, although the first of these specialised ships has been ordered by the Oxy-Sedco partnership from Japan.

The Government has made its view plain to complaines like BP, Shell and Chevron, which will shortly be placing contracts.

Dr. Dickson Mabon, junior Energy Minister, said yesterday that he expected five of these ships to be ordered in the near future with a total of 12 by the early 1980s.

He praised British industry for becoming internationally established as one of the principal suppliers of offshore goods and services in a relatively short time.

"We must never become complacent and we must maintain the high standard of quality of product and delivery if we are to continue our share of the market."

British firms did well last year in some of the major sectors of the market, taking two-thirds or more of the value of orders for production platforms, installation work and plant and equipment, and accounting for virtually all the work on onshore oil and gas terminals.

But there is some official concern about the failure of British companies to appreciate the importance of the growing offshore maintenance market. Only one-third of the £56m worth of contracts placed last year were won by Britain.

The Offshore Supplies Office estimates that the total spent on maintenance by oil companies could rise to £300m by 1980 and double to £600m by 1985.

Benn pledges reply on oil supplies grant

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, July 11.

MR. ANTHONY WEDGWOOD BENN, Energy Secretary, has promised that the UK will give a formal reply by the end of this month to the protracted inquiry being conducted by the EEC Commission into Britain's system of interest relief grants for domestic suppliers of North Sea oil equipment.

A Commission spokesman said today that he gave the undertaking at a meeting in London on Friday with M. Raymond Vouel, EEC Commissioner for competition policy, who has been seeking to persuade the Government to modify the scheme voluntarily.

According to EEC officials, Mr. Benn offered to make some changes to the system but they were considered inadequate by M. Vouel.

Mr. Benn then said he would consult his Cabinet colleagues about the Commission's objections and would set out their views in a reply to be sent to Brussels before the end of this month.

If this response is also deemed insufficient by the Commission, it may decide to order the UK to alter the scheme or to abolish it altogether. But it would be unlikely to take such a decision much before mid-September.

The relief grants scheme, in force for about five years, provides interest subsidies of 3 per cent on loans to UK suppliers of offshore fixed platforms, platform installations, submarine pipelines and single buoy moorings.

Restructuring

The Commission maintains that it does not conform with the Rome Treaty because it is not available to suppliers in other EEC countries and is not linked to industrial restructuring.

According to officials here, Mr. Benn offered to make the system available to a limited number of suppliers in other EEC countries. But M. Vouel believed that this did not go far enough.

The Commission opened its investigation at the end of 1975. Almost a month ago, it announced it had decided to open the final stage of proceedings against the UK.

But it now appears unlikely to bring the issue to a conclusion until it has received the Government's promised reply.

Meanwhile, a Commission spokesman expressed confidence that the EEC investigation recently launched into Britain's £90m special intervention fund for the shipbuilding industry could soon be brought to an amicable conclusion.

British Airways signs £120m Boeing order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS yesterday signed with Boeing in London its order for 19 of the U.S. company's 737 short-haul airliners, worth £120m.

First deliveries are sought for early 1980, and all the aircraft are expected to be in service by the end of that year.

This follows Monday's Government approval for the airline to buy the twin-jet aircraft, after a long appraisal of their merits compared to the British Aerospace One-Eleven jets.

British Airways has also been given authority to negotiate with British Aerospace for up to six more One-Elevens (it has a number of these already in its fleet), but these negotiations are not expected to be hurried.

Mr. Ross Stainton, chief executive of British Airways, said yesterday that the 737s deal represented "the first stage" of the airline's re-equipment programme.

The airline is studying a range of other, larger short-haul jets, such as the proposed Boeing 757 twin-jet airliner, for use in the mid-1980s.

The British Airways order for 737s will raise total orders for that aircraft to more than 600, from 70 operators world-wide. The 737 has already flown more than 6m hours in airline service, and made more than 7.5m landings. It is thus the world's most experienced twin-jet airliner.

The aircraft for the UK will seat up to 130 passengers in a high-density seating arrangement, and will be used on many short-haul European routes as well as on holiday routes to the Mediterranean, to replace some of the ageing 707s of British Airtours.

The airline said yesterday that its 737s would be equipped with a substantial amount of advanced equipment, including a "performance data computer system" that would enable the two-pilot crew to fly the aircraft "in the most efficient and economical manner under all prevailing conditions."

The aircraft would also be fitted with the latest "blind landing" equipment, including an automatic engine-throttle control made by Smiths Industries of the UK.

Each aircraft will also be fitted with a "hush-kit" on its engines, built by the U.S. company Pratt and Whitney.

Our Labour Editor writes: The engineering draughtsmen's union TASS yesterday described as "nothing short of disastrous" the Government's decision to allow British Airways to buy the 737s. It said about 5,000 jobs might eventually be lost.

However, the union welcomed the decision to go ahead with the £250m development of the HS-146, now to be called the 146. This, it said, vindicated the union's fight "in the face of determined efforts by private owners to kill it off."

There would, though, be no net employment gain from making the 146, the union said, since the aircraft would simply take up workers from the expiring Trident production line.

Mr. Bill Niven, national industrial officer of TASS, the staff section of the Amalgamated Union of Engineering Workers, said the fact that BA would be negotiating for between three and six One-Eleven jets to be built by British Aerospace would do nothing to ensure job security or the future development of the One-Eleven series.

Of the Boeing purchases he said: "This decision by national carriers must adversely influence other potential One-Eleven customers, particularly the Japanese.

"The end result will almost certainly be premature closure of the One-Eleven production line with the loss of 5,000 jobs, 3,500 of them British Aerospace employees.

Boeing is to sell to Siemens of West Germany its 12 per cent shareholding in the aerospace company, Messerschmitt-Boelkow-Blohm. The deal is being seen as the first stage in a complex restructuring of the MBB's capital aimed at restoring full control to German interests. See Page 22.

News Analysis Page 8.
Feature Page 16.

Fed seeks right to pay interest on reserves

By Stewart Fleming

NEW YORK, July 11

THE U.S. Federal Reserve Board has submitted proposed legislation to Congress which would give it power to pay interest on the reserves which member banks currently have to retain with the nation's Central Bank.

The Fed intended to start paying interest on bank reserves through its own administrative action.

But key members of Congress, demonstrating their belief in the Congress's authority over the Fed on these issues, declared such action to be illegal.

Mr. G. William Miller, chairman of the Fed, has now bowed to this congressional pressure.

The plan to pay interest on the reserves is partly designed to make membership of the Federal Reserve more attractive to commercial banks.

In recent years, smaller commercial banks in particular have been leaving the Federal Reserve system, one of the reasons being the cost of maintaining reserves interest free.

It is estimated that the Central Bank—and thus at one stage removed, the U.S. Government—will pay out $765m in interest a year on reserve accounts initially.

There are suggestions that the Fed will offset this by requiring banks to pay for other services which they obtain from the Central Bank.

Continued from Page 1

Money supply

long-dated gilt-edged stock recouped most of their earlier losses of ⅞ to close virtually unchanged on the day.

The market is now looking ahead, particularly at the June trade figures due on Friday.

It is thought possible that the outcome will be unfavourably affected by larger imports of oil rig equipment for the North Sea than in May.

The adjustment by the banks to the re-imposition of the corset is shown by a decline of 1¼ per cent, or £367m, to £29.73bn in the interest-bearing eligible liabilities of the banking system as a whole in the month to mid-June.

This indicates that the banks have made about a third of the necessary change in their balance sheets to come down within the corset ceilings with two months still left for adjustments.

There has been a difference in experience between the banks. Thus the eligible liabilities of the London clearing banks (not just interest-bearing deposits) rose by 1.4 per cent over the period, compared with a 0.3 per cent overall decline.

The clearers will probably have to make a larger than average adjustment to come within the corset limits.

There are differences between individual banks, which may partly reflect anticipatory action on the measures.

Midland reported a fall in eligible liabilities, while Barclays and Lloyds showed noticeable increases in the past month.

Differences between the banks as a whole and the London clearers are also shown by the latter's sterling advances to the UK private sector.

These rose by £591m in the month to mid-June, with an underlying rise of possibly about £500m after seasonal adjustment.

The increase was spread over most categories of borrowing, but there appears to have been some switching by customers from market borrowing to the clearers on interest rate grounds.

Apart from this, the main increase seems to have been to the manufacturing and personal sectors, though the banks say there has been no real take-off in lending to industry.

In previous months, much of the rise was in advances to the service and personal sectors.

Lending by the London clearers to overseas residents rose by £120m, reflecting further growth in export finance.

The Bank of England also announced yesterday changes in the seasonal adjustment to the money supply figures for mid-June, to be published next week.

This is because of alterations in the charging of half-yearly interest. Thus the seasonal adjustment for sterling M3 is now £40m, which will be subtracted from the unadjusted figure.

Continued from Page 1

Tariffs

The illustrative list proposed by Washington includes a wide range of measures at present applied by EEC Governments and the UK in particular.

It includes Government participation in enterprises to an extent that affects imports or exports "in a manner inconsistent with commercial considerations, including price" and Government participation in companies "for purposes of covering significant operating losses over a sustained period."

THE LEX COLUMN

The corset starts to pinch

The gilt edged market's initial reaction to the June banking statistics was confused. After being a quarter of a point better, prices of long dated stock fell by around £⅜ on the publication of the £366m rise in the clearing banks' eligible liabilities. However, this was not a guide to the experience of the rest of the banking system and when the full figures were published they showed a 0.3 per cent fall. This was not quite what some of the optimists in the market had been hoping for but it was sufficient to send prices better after hours.

Although the corset was introduced on June 8, well over half way through the June banking month, its impact was clearly being felt fairly quickly. The £133m drop in total eligible liabilities was made up of a £234m rise in non-interest bearing liabilities and a £367m fall in the interest bearing element. Meanwhile, within the banking system there were some major shifts in emphasis. The clearing banks seem to have recaptured much of their business which they had earlier lost to the foreign banks and the non-clearers. The eligible liabilities of the accepting houses, for example, fell by 4.8 per cent over the month and the American banks showed a 3.7 per cent drop.

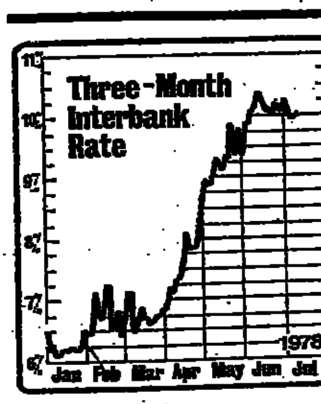
Within the clearing banking community there were also some major differences in experience. Midland Bank, which had been aggressively building up its balance sheet, has been unwinding some of its positions in the money market while the other clearers have recaptured some of Midland's share of total advances.

However, the real worry about the latest banking figures is the strength of clearing bank lending, where the "underlying increase was again substantially upwards." Obviously part of this reflects a switch back to the clearing banks by some borrowers but until the full money supply figures are published next week it is impossible to judge the true buoyancy of loan demand. Clearly, if loan demand continues to rise strongly, serious distortions will start to appear within the financial system and the money supply figures will cease to be quite so relevant.

Barclays

The Board of Barclays Bank is going into this afternoon's extraordinary meeting on the Investment Trust Corporation takeover proposals backed heavily by favourable proxies from small shareholders. And it does not look as though many institutions are planning to go along to upset the apple cart.

Index rose 1.8 to 467.3



At least the pension funds have had their say in public. But the dispute has tended to emphasise the contradictions and conflicts of interest among the investment institutions. Not much has been heard from the insurance companies, which themselves have been active in trust takeovers before (though not yet on the Barclays formula). The investment trusts are simmering, and a circular critical of the deal has been sent privately to all members of the Association of Investment Trust Companies. But although a number of trusts will vote against the deal, they are reluctant to air their views publicly for fear of being accused of simply protecting their territory. There is also gossip about divisions among the big nationalised industry pension funds, two of which have recently bought trusts using much more difficult routes than the Post Office fund.

The final position of the pension fund investment protection committee was that the trust deal was wrong in principle but an attempt to leave Barclays stranded without its money would be counterproductive. There is logic in this, but other companies tempted to copy Barclays could still decide that the pension funds' bluff can be called. And any future scheme would no doubt be made subtly different to confuse the issue.

The principle remains, however, that shareholders should have pre-emptive rights on share issues for cash. question that needs to be a at today's meeting is why chairman of Barclays, in wr to shareholders, failed to out that nearly £10m of m capitalisation was being away to shareholders of an company. Maybe the s holders of Barclays would voted differently had he so. Since the day before deal was announced Barclays share price has u performed the other cleare nearly 3 per cent.

Wilkinson Match

Wilkinson Match achieved its forecast with tax profits £2m up at £1 But the management still everything left to prove fo ing the controversial acquis of True Temper, which effect after the year end.

Last year's performanc very mixed. The worst of bad news comes from the sonal products divi largely razor blades, w profits are £3m down desp 12 per cent increase in s Behind this lies £1m of clo costs in Italy, and the deci to take over direct marke in the U.S. from Colgate - addition there is a little m of a price war in razor bl where Wilkinson is havin battle it out with BIC and lette on lower margins.

What was lost on pers products has been gained matches and lighters, where division's profit contributior increased from 49 per cer 59 per cent on the bac higher prices and some cutting. Margins have recovered considerably on and hardwares — the div which stands to become Wi son's largest in sales when True Temper is in the current year. profits are £1.6m b safety and protection.

Apart from the prob personal products, Wilki big challenge for the cu year will be to make a on developing consumer ducts and safety and prote sales in the U.S. Here Alleg Ludlum is pledged to len support, though nothing defi is planned yet. Against mixed background the sh look fairly valued at 171p fully taxed p.e. of 8 and above average yield of 8.8 cent.

Power station demand for coal to be reconsidered

BY JOHN LLOYD

THE INCREASINGLY embittered relations between Government, National Coal Board and the Central Electricity Generating Board were soothed a little last night.

The improvement followed a meeting between Mr. Anthony Wedgwood Benn, the Energy Secretary, Sir Derek Ezra, chairman of the coal board and Mr. Glyn England, chairman of the electricity board.

They agreed that further studies should be made into ways in which the electricity board might increase its coal burn, although the short statement issued after the meeting stressed—at the insistence of the electricity board—that no extra costs would fall on the electricity consumer.

Sir Derek said: "Electricity is our biggest customer, taking two thirds of our output. As a result of today's meeting, the CEGB is going to examine ways in which it might burn more coal, and we are looking into it with them."

The meeting followed a series of statements from the coal board and the electricity board obliquely countering each other's assumptions about coal burn.

Last month, the electricity board published its corporate plan which showed that it expected output from the UK's mines to be well down on the coal board's target, and that it intended to press on with its nuclear power station programme as fast as possible.

Last week, Sir Derek accused the electricity board of "dodging in and out of the market" for coal, and Mr Benn spoke of seeking to change the electricity board's merit order for stations in a way which would favour coal-fired stations.

No details were available of last night's meeting, but it is understood that the subjects discussed included the possibility of Government subsidies to power station coal, thus making it more attractive to power stations.

The Government already subsidises coal to Scottish and Welsh power stations, under agreements concluded last year.

The Welsh agreement, which was for one year, has a maximum of £2m, while the Scottish agreement is for five years at a maximum of £5m a year. To date, some £5.4m has been spent on the schemes.

Under separate agreements, the Government also subsidises coal stocks held by the Coal Board and by its major customers. Over the past year, £18.7m has been granted to support stocks.

Stocks of distributed and undistributed coal in the UK now stand at 31.9m tons, up 2.7m tons on the same period last year.

The Coal Board is known to be pressing the Government to subsidise coal consumption in power stations throughout the UK, or at least to regions other than only Wales and Scotland.

Editorial comment, Page 16
Benn and coal glut, Page 8

Japanese banks agree $700m loan for Brazil steel project

BY DIANA SMITH

RIO DE JANEIRO, July 11

THE LAST hurdle preventing go-ahead on the long-delayed Tubarao steel project in Brazil was overcome to-day. A decision was made in principle for Japanese banks to provide a $700m loan to Siderbras, the Brazilian state steel agency, on terms acceptable to the Brazilians.

The $2.6bn project is due to come on stream in August 1982 at a rate of 3m tonnes annually. It was originally given the go-ahead more than two years ago.

However, the weakness of the world's steel industry resulted in a major renegotiation between Siderbras and its two minority foreign partners, Kawasaki Steel and the Italian Finsider. As a result of the renegotiation, Siderbras has agreed to absorb a higher proportion of the output than originally scheduled while Kawasaki Steel agreed to ensure that $700m finance for Siderbras's share of the project would be made available by Japanese banks.

A couple of weeks ago, it looked as though Japanese involvement in the project was again at risk since final terms for the loan were proving difficult to agree. Brazil put a time limit of the end of this month on the negotiations.

Mary Campbell writes: In a separate move, Chrysler Financials Corporation has arranged a $100m, five-year loan among a group of Middle Eastern banks. The loan marks a significant step forward in development of Middle East markets.

The size of the loan has been increased from $75m originally scheduled.

The proceeds will be used for general corporate purposes. It carries a margin over inter-bank rates of 1 per cent.

Joint lead managers and underwriters were Gulf International Bank, Kuwait Foreign Trading Contracting and Investment Company/Burgan Bank, National Bank of Abu Dhabi, UBAF and Wardley Middle East.

First Boston, the company's U.S. investment bank acted as advisor and ran the books.

Go-ahead for loan, Page 22

Weather

UK TODAY

OUTBREAKS OF rain, sunny intervals.

London, E. Anglia, Midlands, N. Wales
Cloudy, occasional rain. Max. 18C-19C (64F-66F).

S.E., Cent. S., S.W. England, Channel Islands, S. Wales
Rain, perhaps thundery. Max. 16C-17C (61F-63F)

E., N.E. England
Dry, sunny intervals. Max. 18C-19C (64F-66F).

N.W., Cent. N. England, Lakes, Isle of Man, S.W. Scotland, N. Ireland
Dry, sunny. Max. 22C-23C (72F-73F).

Borders, N.E. Scotland, Orkney, Shetland
Dry, cloudy. Max. 13C-15C (55F-59F).

Cent. Highlands
Dry, sunny. Max 20C-22C (68F-72F).

N.W. Scotland
Dry, cloudy. Max. 13C (55F) in north, 21C (70F) in south.

Outlook: Showers in the south, otherwise mostly dry.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsterdm.	S	18	64	Lisbon	F	23	73
Athens	S	30	86	London	F	19	66
Barcelona	S	24	75	Luxemb'g	F	20	68
Beirut	S	29	84	Madrid	S	22	72
Belfast	S	19	66	Manchestr.	F	18	64
Belgrade	S	24	75	Milan	F	26	79
Berlin	S	21	70	Moscow	Th	16	61
Brmnghm.	C	15	59	Munich	F	21	70
Bristol	C	17	63	Newcastle	S	18	64
Brussels	C	20	68	Oslo	F	24	75
Budapest	C	20	68	Paris	C	21	70
Cardiff	C	15	59	Prague	F	21	70
Cologne	C	20	68	Reykjavik	C	13	55
Copnhagn.	C	17	63	Rome	S	26	79
Dublin	C	16	61	Stockholm	C	14	57
Edinburgh	C	12	54	Strasbrg.	F	23	73
Frankfurt	F	21	70	Tel Aviv	S	29	84
Geneva	Th	20	68	Vienna	F	22	72
Glasgow	F	15	59	Warsaw	C	18	64
Helsinki	S	18	64	Zurich	F	21	70

HOLIDAY RESORTS

Ajaccio	S	27	81	Jersey	C	16	61
Algiers	S	30	86	Las Plms.	C	22	72
Biarritz	S	20	68	Locarno	C	20	68
Blackpool	F	19	66	Luxor	S	41	106
Bordeaux	C	19	66	Majorca	S	27	81
Boulogne	C	20	68	Malaga	S	35	95
Casablnca.	C	21	70	Malta	S	28	82
Corfu	S	30	86	Naples	S	25	77
Dubrovnik	S	26	79	Nice	F	23	73
Faro	S	22	72	Nicosia	S	28	82
Florence	F	27	81	Oporto	C	16	61
Funchal	F	22	72	Rhodes	S	30	86
Gibraltar	S	27	81	Salzburg	S	22	72
Guernsey	C	15	59	Tangier	S	23	73
Innsbruck	S	23	73	Tenerife	F	18	64
Inverness	C	12	54	Tunis	S	32	90
Isle of Man	S	15	59	Valencia	S	29	84
Istanbul	C	20	68	Venice	F	19	66

S—Sunny. C—Cloudy. F—Fair. Th—Thunderstorm.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.